

Thomas M. Bowes
President
District 3

Shannon L. Hume
At Large

CHARLES B. Ryan
At Large

CHARLES C. Kokoros
District 1

JOHN C. MULLANEY
District 2



Sean E. Powers
Vice President
At Large

Stephen C. O'Brien
District 4

Michael J. Owens
District 5

PAUL "DAN" CLIFFORD
District 6

OFFICE OF THE TOWN COUNCIL

- AGENDA -

January 23, 2014 • Horace T. Cahill Auditorium, Town Hall • Starting Time: 6:00p

PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

CORRESPONDENCE

None

ANNOUNCEMENTS

None

APPROVAL OF MINUTES

- January 7, 2014

CITIZEN CONCERNS/COUNCIL RESPONSE

- 001 14 Council President: Braintree Youth Hockey – Discussion on Braintree Ice Rink

COMMUNICATIONS AND REPORTS FROM THE MAYOR AND TOWN BOARDS

- 003 14 Council President: Town Council Committee Appointments or take up any action relative thereto
- 004 14 Council President: MMA Meeting Approval or take up any action relative thereto
- 005 14 Council President: February Meeting Schedule or take up any action relative thereto
- 006 14 Councilor O'Brien: Abutter Notification Process or take up any action relative thereto

OLD BUSINESS

- 13 062 Elmlawn LLC: Street Acceptance – Elmlawn Road Extension or take up any action relative thereto (**PUBLIC HEARING**)
- 14 002 Mayor: Appointment to Community Preservation Committee – Ronald F. Frazier or take up any action relative thereto
- 14 003 Mayor: Haemonetics Application for Project Approval or take up any action relative thereto

NEW BUSINESS

Refer to Committee on Ways & Means

- 14 004 Mayor: Community Preservation Committee Appropriation – Pond Meadow Park or take up any action relative thereto
- 14 005 Mayor: Community Preservation Committee Appropriation – Braintree Housing Authority or take up any action relative thereto

Executive Session

- 002 14 Council President: **First Executive Session** pursuant to G.L. c. 30A, Sec. 21(a) purpose number 1: “To discuss the reputation, character, physical condition or mental health, rather than the professional competence, of an individual, or to discuss the discipline or dismissal of, or complaints or changes brought against, a public officer, employee, staff member or individual.”
- 006 14 Council President: **Second Executive Session** pursuant to G.L. c. 30A, Sec. 21(a) purpose number 1: “To discuss the reputation, character, physical condition or mental health, rather than the professional competence, of an individual, or to discuss the discipline or dismissal of, or complaints or changes brought against, a public officer, employee, staff member or individual.”*

[*NOTE: A REQUEST FOR CONTINUANCE OF EXECUTIVE SESSION/DISCIPLINARY HEARING HAS BEEN RECEIVED BY INDIVIDUAL]

Topics the Chair does not reasonably anticipate will be discussed

ADJOURNMENT

- NEXT Council Meetings: **Tuesday, February 4, 2014 @ 7:30pm**

CHARLES C. KOKOROS
President
District 1

LELAND A. DINGEE
At Large

SEAN E. POWERS
At Large

CHARLES B. RYAN
At Large

JOHN C. MULLANEY
District 2



THOMAS M. BOWES
Vice President
District 3

HENRY N. JOYCE
District 4

RONALD E. DENAPOLI
District 5

PAUL "DAN" CLIFFORD
District 6

OFFICE OF THE TOWN COUNCIL

January 7, 2014

MINUTES

A meeting of the Town Council was held in the Horace T. Cahill Auditorium, Braintree Town Hall, on Tuesday, January 7, 2014 beginning at 7:30p.m.

Council President Kokoros was in the chair.

OATH OF OFFICE

14 001: Council President: Oath of Office

Mayor Sullivan administered the oath of office to the nine members of the Braintree Town Council and the four recently elected members of the School Committee.

BRAINTREE TOWN COUNCIL

Councilor-At-Large

Sean E. Powers
Charles B. Ryan
Shannon L. Hume

District Councilors

1 – Charles C. Kokoros
2 – John C. Mullaney
3 – Thomas M. Bowes
4 – Stephen C. O'Brien
5 – Michael J. Owens
6 – Paul Dan Clifford

SCHOOL COMMITTEE

4-YEARS

David M. Ringius, Jr.
Cyril A. Chafe
George C. Kokoros

2-YEARS

Kate N. Naughton

Mayor Joseph Sullivan and Congressman Stephen Lynch expressed best wishes to all members of the Council and School Committee.

The Clerk of the Council conducted the roll call.

Present: Charles Kokoros, President
Thomas Bowes, Vice President
Sean Powers
Charles Ryan
Shannon Hume
John Mullaney
Stephen O'Brien
Michael Owens
Paul Dan Clifford

Others: Joseph Sullivan, Mayor
Stephen Lynch, Congressman 8th District
John Keenan, State Senator
Mark Cusack, State Representative
Michael Morrissey, Norfolk County District Attorney
Maureen Murray, School Superintendent
Various School Committee Members
Joseph Powers, Town Clerk
Debra Starr, Assistant Town Clerk

Council President Charles Kokoros thanked many elected officials and staff members for their support during his term as Council President.

Reorganization of Town Council

At this time Joseph Powers, Town Clerk, asked for a motion to open up nominations for Council President. A motion was made by Councilor Kokoros and seconded by Councilor Ryan. The Clerk of the Council conducted a roll call vote with all members voting in the affirmative.

Clerk Powers asked for nominations for President. Councilor Kokoros nominated Councilor Bowes. Nomination was seconded by Councilor Powers. Clerk Powers asked Councilor Bowes if he would accept the nomination. Councilor Bowes responded "yes". Clerk Powers asked if there were any other nominations. There were no other nominations presented.

Clerk Powers asked for a motion to close nominations for Council President. A motion was made by Councilor Kokoros and seconded by Councilor Powers. The Clerk of the Council conducted a roll call vote with all members voting in the affirmative.

On a motion by Councilor Kokoros and seconded by Councilor Powers to accept by acclamation the nomination of Councilor Bowes for President. The Clerk of the Council conducted a roll call vote with all members voting in the affirmative.

Joseph Powers, Town Clerk, asked for a motion to open up nominations for Council Vice-President. A motion was made by Councilor Kokoros and seconded by Councilor Ryan. The Clerk of the Council conducted a roll call vote with all members voting in the affirmative.

Clerk Powers asked for nominations for Vice-President. Councilor Kokoros nominated Councilor Powers. Clerk Powers asked Councilor Powers if he would accept the nomination. Councilor Powers responded "yes". Clerk Powers asked if there were any other nominations. Councilor Mullaney nominated Councilor Ryan. Clerk Powers asked Councilor Ryan if he would accept the nomination. Councilor Ryan responded "yes". Clerk Powers asked if there were any other nominations. There were no other nominations presented.

Clerk Powers asked for a motion to close nominations for Council Vice-President. A motion was made by Councilor Kokoros and seconded by Councilor Mullaney. The Clerk of the Council conducted a roll call vote with all members voting in the affirmative.

Clerk Powers informed members that he would ask for a vote for the first person nominated and then the second person nominated only if the first person did not receive at least five votes. Clerk Powers asked for a vote by rising of hands for Councilor Powers. Councilor's Powers, Bowes, Kokoros, Clifford and O'Brien raised their hands. Clerk Powers declared Councilor Sean Powers as Vice-President.

Councilor Bowes, newly elected Council President, took over the Chair.

ANNOUNCEMENTS

Councilor O'Brien informed the public of a meeting planned for Thursday, January 9th to discuss a proposal from OIB Corporation on their development change at White Hills.

APPROVAL OF MINUTES

- December 17, 2013
- December 19, 2013

Motion: by Councilor Kokoros to approve minutes of December 17 and 19, 2013

Second: by Councilor Powers

Vote: For (8), Against (0), Abstain (1- Hume)

CITIZEN CONCERNS/COUNCIL RESPONSE

- 001 14 Council President: Braintree Youth Hockey – Discussion on Braintree Ice Rink

Motion: by Councilor Kokoros to table to January 21, 2014

Second: by Councilor Powers

Vote: For (9), Against (0)

COMMUNICATIONS AND REPORTS FROM THE MAYOR AND TOWN BOARDS

- 003 14 Council President: Town Council Committee Appointments or take up any action relative thereto

Councilor Bowes asked members to submit their committee requests to the Clerk of the Council by Friday, January 10th.

OLD BUSINESS

None

NEW BUSINESS

Refer to Committee on Ways & Means

- 14 002 Mayor: Appointment to Community Preservation Committee – Ronald F. Frazier or take up any action relative thereto
- 14 003 Mayor: Haemonetics Application for Project Approval

Motion: by Councilor Kokoros to refer Orders 14 002 and 14 003 to Committee

Second: by Councilor Powers

Vote: For (9), Against (0)

Executive Session

- 002 14 Council President: Executive Session pursuant to G.L. c. 30A, Sec. 21(a) purpose number 1: "To discuss the reputation, character, physical condition or mental health, rather than the professional competence, of an individual, or to discuss the discipline or dismissal of, or complaints or changes brought against, a public officer, employee, staff member or individual."

Motion: by Councilor Clifford to table to January 21, 2014

Second: by Councilor Kokors

Vote: For (7), Against (2-Bowes, Powers)

ADJOURNMENT

It was unanimously voted to adjourn the meeting at 8:34p.m.

Respectfully submitted,
James M. Casey
Clerk of the Council

Documents provided for Meeting

- December 17, 2013 Minutes
- December 19, 2013 Minutes
- 001 14 Council President: Braintree Youth Hockey – Discussion on Braintree Ice Rink
- 003 14 Council President: Town Council Committee Appointments
- 14 002 Mayor: Appointment to Community Preservation Committee – Ronald F. Frazier
- 14 003 Mayor: Haemonetics Application for Project Approval
- 002 14 Council President: Executive Session pursuant to G.L. c. 30A, Sec. 21(a) purpose number 1: “To discuss the reputation, character, physical condition or mental health, rather than the professional competence, of an individual, or to discuss the discipline or dismissal of, or complaints or changes brought against, a public officer, employee, staff member or individual.”

001-14

From: DiMartino, Nick [mailto:Nick_DiMartino@miltoncat.com]
Sent: Thursday, December 19, 2013 9:54 PM
To: Casey, Jim M.
Cc: John McDonough
Subject: BYH Meeting request for 1/7/14

Jim,

Here is our formal request to address the Town Council at the January 7th meeting. Braintree Youth Hockey would like to take a moment to make our needs and concern known to the council regarding the possible construction of an Ice rink in Braintree. Please let me know if you will be able to accommodate our request. Please call or email to confirm. Thanks Jim.

Nick DiMartino
MiltonCat

BRAINTREE TOWN COUNCIL

COMMITTEE ASSIGNMENTS

2014 - 2015

<i>COMMITTEE</i>	<i>2014 – 2015</i>
Ways & Means	John Mullaney (Chair) Stephen O'Brien (Vice) Shannon Hume Michael Owens
Ordinance & Rules	Dan Clifford (Chair) Sean Powers (Vice) John Mullaney Stephen O'Brien Michael Owens
Public Safety	Charles Kokoros (Chair) Sean Powers (Vice) Stephen O'Brien
Public Works	Michael Owens (Chair) Charles Ryan (Vice)
Elder Affairs & Veterans Services	Dan Clifford (Chair) Shannon Hume (Vice) Michael Owens
Parks & Recreation	Michael Owens (Chair) Shannon Hume (Vice)
Education & Library	Shannon Hume (Chair) Michael Owens (Vice)
Personnel Issues	John Mullaney (Chair) Sean Powers (Vice) Stephen O'Brien
School Building Authority	Shannon Hume
Council Chambers	John Mullaney

POLICY #1 – DEPARTMENTAL TRAVEL

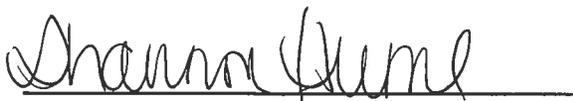
REQUESTOR: **Shannon Hume**

DEPARTMENT: **Town Council**

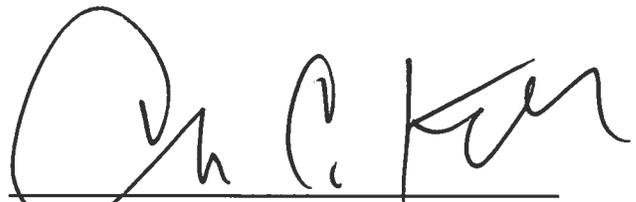
DATE OF MEETING OR CONFERENCE: **January 24-25, 2014**

Name and Description of Conference: **Massachusetts Municipal Association 2014 Annual Meeting & Trade Show**

- 1) Agenda or course description: **Various workshops covering the latest developments affecting local government**
- 2) Number of days for conference: **2**
- 3) Relativity to job function: **Opportunity to exchange ideas and problem solving with peers**
- 4) Expected value to Council member or employee including continuing education credits: **Learning, problem-solving, and sharing ideas that increase the effectiveness and efficiency of local government throughout Massachusetts.**
- 5) Expected value to the Individual and Town expressed both quantitatively and qualitatively: **Exchanging ideas and problem solving with peers. Keeping abreast of changes in Open Meeting Laws as well as attend discussion forums on key emerging issues. Discussion with Exhibitors on the latest products and services tailored to Massachusetts communities.**
- 6) Number of days out of the office due to conference and meeting travel: **1**
 - a) Meeting Cost: **\$263 (Conference Registration/Friday-Saturday Dinner Event/WEMO Luncheon)**
 - b) Travel Cost: **0**
 - c) Lodging Cost: **0**
 - d) Total Cost: **\$263**
 - e) Comparable costs showing the most economical choice is presented for pre-approval:
Not Applicable – Annual Local Function



Authorized Signature (Requestor)



Town Council President certifying favorable vote

Meeting Expense Line Item funded via FY2014 Budget

Approval date 1-3-14

POLICY #1 – DEPARTMENTAL TRAVEL

REQUESTOR: Sean Powers

DEPARTMENT: Town Council

DATE OF MEETING OR CONFERENCE: January 24-25, 2014

Name and Description of Conference: **Massachusetts Municipal Association 2014 Annual Meeting & Trade Show**

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- 5) Expected value to the Individual and Town expressed both **quantitatively** and qualitatively: **Exchanging ideas and problem solving with peers. Keeping abreast of changes in Open Meeting Laws as well as attend discussion forums on key emerging issues. Discussion with Exhibitors on the latest products and services tailored to Massachusetts communities.**
- 6) Number of days out of the office due to conference and meeting travel: **1**
 - a) Meeting Cost: **\$189 (Conference Registration/Friday Dinner Event)**
 - b) Travel Cost: **0**
 - c) Lodging Cost: **0**
 - d) Total Cost: **\$189**
 - e) Comparable costs showing the most economical choice is presented for pre-approval:
Not Applicable – Annual Local Function



Authorized Signature (Requestor)



Town Council President certifying favorable vote

Meeting Expense Line Item funded via FY2014 Budget

Approval date 1-3-14

POLICY #1 – DEPARTMENTAL TRAVEL

REQUESTOR: Charles Ryan

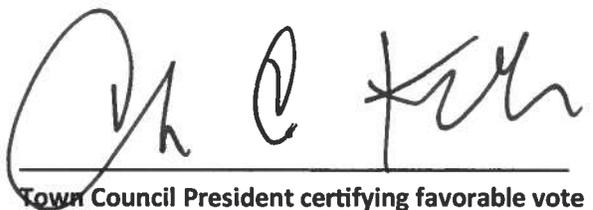
DEPARTMENT: Town Council

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Authorized Signature (Requestor)


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Approval date 1-3-14

POLICY #1 – DEPARTMENTAL TRAVEL

REQUESTOR: Charles Kokoros

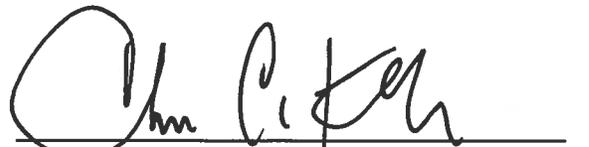
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- 6) Number of days out of the office due to conference and meeting travel: **1**
 - a) Meeting Cost: **\$234 (Conference Registration/Friday-Saturday Dinner Event)**
 - b) Travel Cost: **0**
 - c) Lodging Cost: **0**
 - d) Total Cost: **\$234**
 - e) Comparable costs showing the most economical choice is presented for pre-approval:
Not Applicable – Annual Local Function


Authorized Signature (Requestor)


Town Council President certifying favorable vote

Meeting Expense Line Item funded via FY2014 Budget

Approval date 1-3-14

POLICY #1 – DEPARTMENTAL TRAVEL

REQUESTOR: John Mullaney

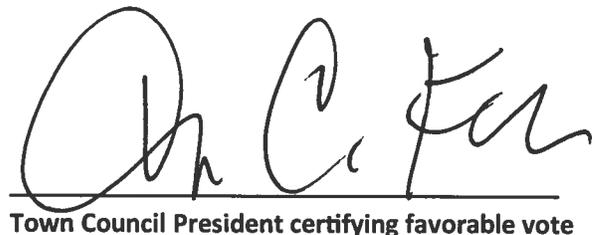
DEPARTMENT: Town Council

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Not Applicable – Annual Local Function


Authorized Signature (Requestor)


Town Council President certifying favorable vote

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Approval date 1-3-14

POLICY #1 – DEPARTMENTAL TRAVEL

REQUESTOR: **Thomas Bowes**

DEPARTMENT: **Town Council**

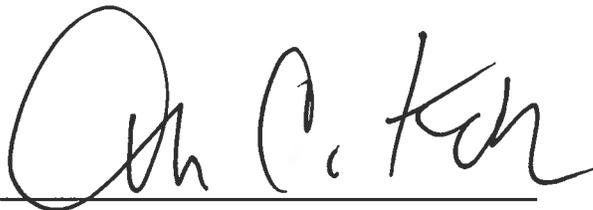
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 - a) Meeting Cost: **\$189 (Conference Registration/Friday Dinner Event)**
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 - d) Total Cost: **\$189**
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Not Applicable – Annual Local Function



Authorized Signature (Requestor)



Town Council President certifying favorable vote

Meeting Expense Line Item funded via FY2014 Budget

Approval date 1-3-14

POLICY #1 – DEPARTMENTAL TRAVEL

REQUESTOR: Stephen O'Brien

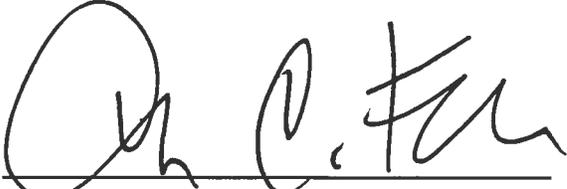
DEPARTMENT: Town Council

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Not Applicable – Annual Local Function


Authorized Signature (Requestor)


Town Council President certifying favorable vote

Meeting Expense Line Item funded via FY2014 Budget

Approval date 1-3-14

POLICY #1 – DEPARTMENTAL TRAVEL

REQUESTOR: Michael Owens

DEPARTMENT: Town Council

DATE OF MEETING OR CONFERENCE: January 24-25, 2014

Name and Description of Conference: **Massachusetts Municipal Association 2014 Annual Meeting & Trade Show**

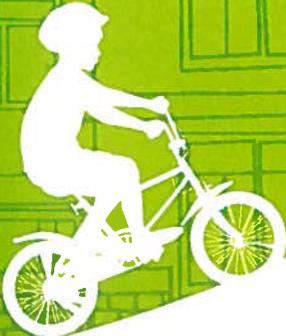
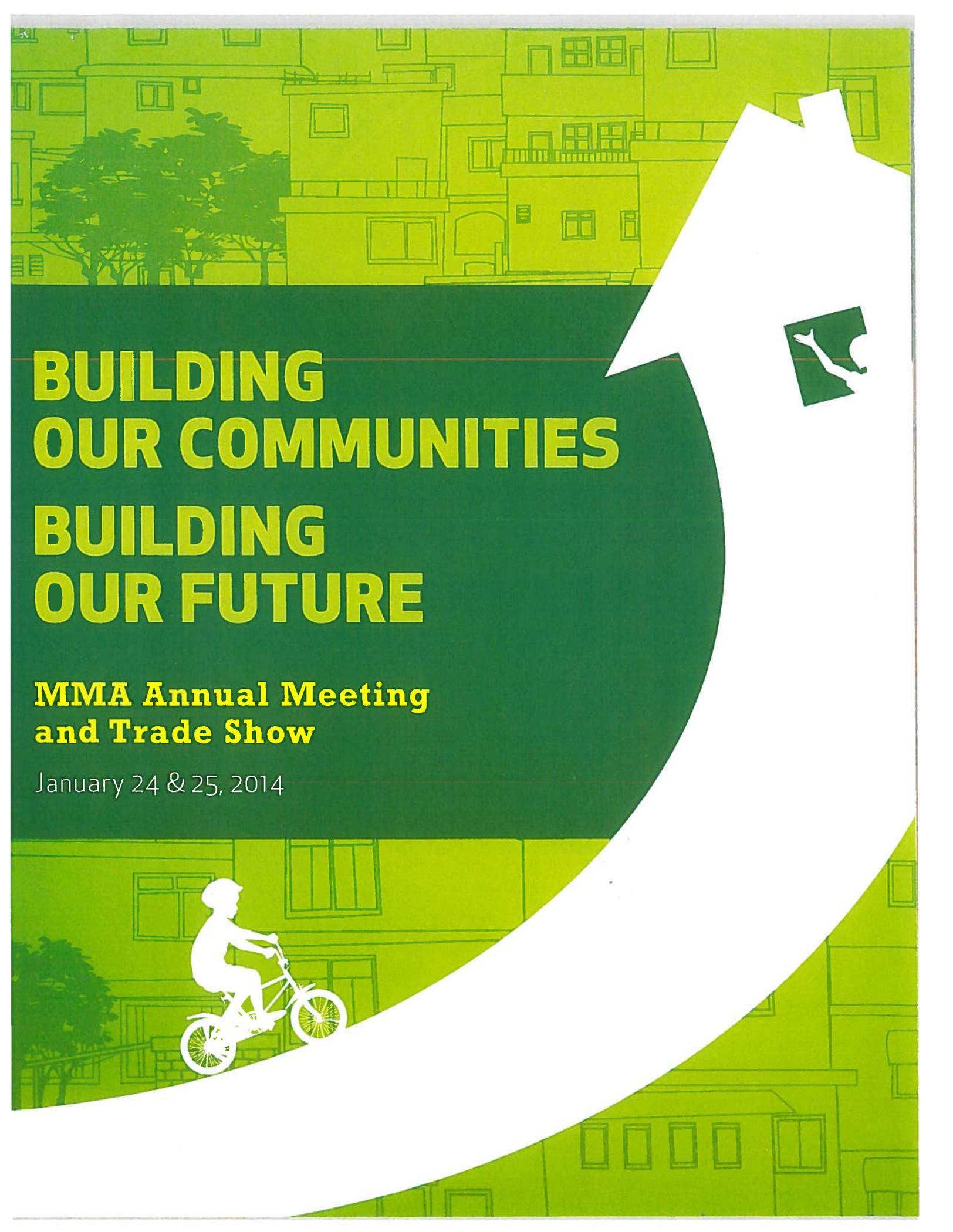
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Authorized Signature (Requestor)


Town Council President certifying favorable vote

Meeting Expense Line Item funded via FY2014 Budget

Approval date _____



BUILDING OUR COMMUNITIES BUILDING OUR FUTURE

**MMA Annual Meeting
and Trade Show**

January 24 & 25, 2014

JOIN MORE THAN 1,000 LOCAL LEADERS—

along with renowned speakers, state leaders, topic experts and hundreds of Trade Show exhibitors—who gather each year in Boston for the MMA's Annual Meeting. The lively two-day event is devoted to learning, problem-solving and sharing ideas that increase the effectiveness and efficiency of local government throughout Massachusetts.



NETWORKING

The MMA Annual Meeting is a rich environment for idea exchange and problem-solving. Local leaders have numerous opportunities to discuss the challenges they face and to learn what their peers are doing to move forward in a difficult economy. The event also features business meetings specifically for mayors, councillors and aldermen, selectmen, town managers and finance committee members.

SPEAKERS

Each year, the MMA Annual Meeting features dynamic and inspiring speakers, with messages tailored to local government.

KEYNOTE ADDRESS



Jon Meacham

Pulitzer-Prize winning author Jon Meacham is a renowned commentator on current affairs, politics and religion. Executive editor and vice president at Random House, where he has edited a book by Al Gore, Meacham is a former editor-in-chief at "Newsweek" magazine. His best-selling and critically acclaimed books include "American Lion: Andrew Jackson in the White House" and "Thomas Jefferson: The Art of Power." He has been a co-anchor of the PBS program "Need to Know."

CLOSING SESSION: GUBERNATORIAL CANDIDATES FORUM

This special session, moderated by WBZ radio and TV political analyst Jon Keller, will give gubernatorial candidates the opportunity to highlight their local government priorities and policies. Each candidate will appear separately and will answer questions from the audience. This session will place cities and towns at the center of the action in the 2014 election season.



The Second City

ENTERTAINMENT

Over more than five decades, The Second City has produced an array of comic talent that includes the top performers from the early years of "Saturday Night Live"—John Belushi, Bill Murray, Dan Aykroyd and Gilda Radner—as well as John Candy, Mike Myers, Tina Fey, Steve Carell and Stephen Colbert. The Second City operates the largest training program for improvisation and acting in North America, and its touring ensemble and theaters in Chicago and Toronto entertain more than 1 million people per year.

WORKSHOPS

A central feature of the MMA Annual Meeting is the wide selection of workshops covering the latest developments affecting local government. In addition to 20 topical workshops, the meeting will feature several discussion forums on key emerging issues.

This year's workshops will explore topics such as:

- Economic development
- Collaborative service delivery
- Energy
- Labor law
- Smart growth
- Environmental issues
- Municipal law
- Civil service
- Open meeting law
- Veterans services
- Economic and budget outlook

As always, there will be ample opportunities for questions and interaction with presenters and colleagues.



TRADE SHOW

More than 200 exhibitors will be on hand to showcase the latest in products and services tailored to Massachusetts cities and towns. It's a great opportunity to find out what's new in the municipal marketplace.



SCHEDULE AT A GLANCE

FRIDAY, JANUARY 24

9:30–11 a.m.	Keynote Address
11 a.m.–5 p.m.	Trade Show
Noon–1:30 p.m.	WEMO Luncheon
2–3:30 p.m.	Workshops
3:45–5:15 p.m.	Emerging Issues Forums
6–7 p.m.	Opening Reception
7:15–9 p.m.	Banquet Dinner

SATURDAY, JANUARY 25

7:30–8:30 a.m.	Member Associations' Breakfast
8:30–10 a.m.	Business meetings for member associations
10 a.m.–2 p.m.	Trade Show
10:15–11:50 a.m.	MMA Annual Business Meeting
Noon–1:30 p.m.	MIIA Luncheon/Business Meeting
1:45–3:15 p.m.	Workshops
3:30–5:15 p.m.	Closing Session
6–7:15 p.m.	President's Reception/Municipal Awards Ceremony
7:15–9:15 p.m.	Annual Banquet

2014 ANNUAL MEETING & TRADE SHOW

January 24 & 25, 2014 | Hynes Convention Center and Sheraton Boston Hotel, Boston

Program Registration Form

Please fill out form completely.

Name (please print or type)

First name or nickname for badge

Title

Municipality, organization or other affiliation

Street address

City or town State ZIP

Daytime phone number Fax number

E-mail address

Guest's first name Guest's last name

Please note: "Personal guest" registration category is not for use by co-workers or associates within your community.

Your registration fee includes admission to the keynote address, all workshops, your member group business meeting, the trade show, and the opening and president's receptions.

Two weeks prior to the meeting, you will receive a confirmation of your registration, directions and parking information, and other pertinent details.

Cancellations: Refunds will be made in full for registration or meal tickets ONLY if you notify the MMA by a letter on municipal letterhead postmarked no later than Jan. 17, 2014.

Hotel reservations

The host hotel is the Sheraton Boston Hotel at 39 Dalton St., conveniently located adjacent to the Hynes Convention Center.

The MMA has negotiated a reduced room rate of \$162 per night for a single or \$172 per night for a double, plus tax. Reservations must be made by Dec. 21, 2013, to be eligible for the special MMA rates.

Hotel reservations must be made directly with the Sheraton Boston Hotel at (800) 325-3535 or online through the MMA website.

For more information about the hotel, visit www.sheratonbostonhotel.com or www.mma.org.

CONFERENCE PRE-REGISTRATION Deadline: January 17, 2014

<input type="checkbox"/> Member	\$150
<input type="checkbox"/> Business Program Member	\$150
<input type="checkbox"/> Other Government Entities	\$250
Subtotal A	\$ _____

There will be an additional \$50 charge for on-site registration.

EVENTS

Specify number of tickets.

_____ Friday Dinner @ \$39 per person	\$ _____
_____ Saturday Dinner @ \$45 per person	\$ _____
_____ Women Elected Municipal	
_____ Officials lunch (Friday) @ \$29 per person	\$ _____
Subtotal B	\$ _____
Total Due (A+B)	\$ _____

Make check payable to Massachusetts Municipal Association.
A \$5 invoice fee will be applied if payment is not received by Jan. 30, 2014.
Invoices will be mailed after Jan. 31.

CREDIT CARD INFORMATION All Fields Required

Please check one:

MasterCard Visa Amex Discover

Card Holder's Name

Card Holder's Email Address (receipt will be emailed)

Card Holder's Billing Address

City or town State ZIP Code

Card #

Exp. Date

Card Holder's Signature

FOR UP-TO-DATE INFORMATION OR TO REGISTER ONLINE, VISIT WWW.MMA.ORG

Please complete this form and return to: Annual Meeting, Massachusetts Municipal Association, One Winthrop Square, 2nd floor, Boston, Massachusetts 02110; or fax to (617) 695-1314.

For Office Use Only: Amount: _____ Check #: _____ Date: _____
--

#049 13

PROPOSED 2014 COUNCIL MEETING CALENDAR

(Unless noted, meetings are held on a Tuesday)

January 2 (Thu), 7 and 21	[Jan. 2 Required by Charter: Section 8-10 Oath of Office]
February 4 and 25	[School Vacation Week beginning Feb. 17 th]
March 4 and 18	
April 1 and 15	[School Vacation Week beginning April 21 st]
May 1, 13 and 27	[May 1 Required by Charter: Section 6-3 Submission of Budget] [May 27 Annual Town Meeting]
June 3 and 17	[Jun 3 placeholder for additional action on the budget]
July 15	[Summer Schedule]
August 12	[Summer Schedule]
September 3 (Wed) and 16	[Sep 2 Council Rule 24 Council Meetings: State Primary Election*]
October 7 and 21	
November 5 (Wed) and 18	[Nov 4 Council Rule 24 Council Meetings: State General Election*]
December 2 and 16	

*Election dates are subject to change

#006 14

-----Original Message-----

From: O'Brien, Stephen C.

Sent: Thursday, January 09, 2014 10:39 PM

To: Casey, Jim M.

Cc: Bowes Thomas

Subject: Jan 21 Meeting Agenda Item

Jim,

I formally request that the town council invite a representative from the planning department be present at the Jan. 21, 2014 council meeting to discuss the current abutter notification processes.

Please add this as an agenda item to our Jan 21, 2014 meeting as both an opportunity to be presented with the procedure as well as a discussion item for the entire council to discuss.

Let me know whether there is additional information or action required on my part.

- Stephen -

Sent from my iPad

REILLY BERCH

ATTORNEYS AT LAW
19 SOUTH MAIN STREET
RANDOLPH, MASSACHUSETTS 02368

TEL (781) 961-7313
FAX (781) 961-7343

LEGAL ASSISTANT
IRMA R. SANDS

KEVIN M. REILLY

LISA H. BERCH

November 14, 2013

Town of Braintree
Office of the Town Council
One John Fitzgerald Kennedy Memorial Drive
Braintree, MA 02184

Att: Mr. James Casey, Clerk of the Council

Re: Elmlawn Road Extension

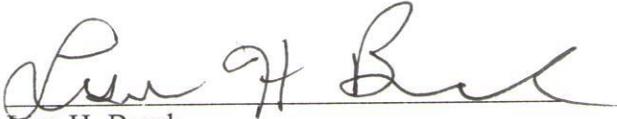
Dear Mr. Casey:

Enclosed please find the following documents for the Street Acceptance in the above matter:

1. Certified Abutters List for the above property;
2. Mylar and three copies of Street Acceptance Plan for Elmlawn Road Extension;
3. Twenty-two (22) envelopes that have all been addressed and stamped to the abutters.
4. Application for Street Acceptance –
Please advise if there is anything further you may need.

Thank you and your staff for your courtesy and cooperation in this matter.

Yours very truly,



Lisa H. Berch

LHB/iss
Enclosures

ORDER #:

Application for Street Acceptance – Worksheet

SECTION TO BE COMPLETED BY PETITIONER

Petitioner

Name: Elmlawn LLC

Address: 678 Depot Street
Easton, MA 02356

Contact/Billing Information

Name: Lisa H. Berch, Esq.
Attorney for Elmlawn LLC

Address: 19 South Main Street
Randolph, MA 02368

*Petition Submitted By:

Lisa H. Berch Attorney for Elmlawn LLC.

Date Received



Office of the Board of Assessors

ONE JOHN FITZGERALD KENNEDY MEMORIAL DRIVE
BRAINTREE, MASSACHUSETTS 02184
TEL: (781) 794-8050 • (781) 794-8056
FAX: (781) 794-8068

DATE: November 14th 2013

APPLICANT: Elmlawn LLC

PROPERTY LOCATION: Elmlawn Road Extension

MAP AND PLOT: 2072 0 60, 2072 0 61, 2072 0 62, 2072 0 63,
2072 0 64, 2072 0 65, 2072 0 66 and 2072 0 67,
consecutively.

This is to certify that at the time of submission of this form to the Board of Assessors, the names and addresses of the parties assessed as adjoining owners to the parcel of land shown and described are as written and are the parties according to the records of the Assessors.

Office of the Board of Assessors



Robert M. Cusack
Chairman

Abutters List

ParcelID	Location	Owner	Co-Owner	Mailing Address	City	State	Zip
2070 0 24	150 HOLMES ST	CARROLL CHARLES E/TERESA M	150 HOLMES ST REALTY TR	150 HOLMES ST	BRAINTREE	MA	02184
2070 0 47	120 HOLMES ST	GRAZIANO FIORE A	GRAZIANO CARMELA B TBY	120 HOLMES STREET	BRAINTREE	MA	02184
2070 0 48	130 HOLMES ST	DRAKE KEITH S	DRAKE VIVIAN	130 HOLMES ST	BRAINTREE	MA	02184
2070 0 49	140 HOLMES ST	TRETOLA CAROLYN M TRUSTEE	140 HOLMES STREET RLTY	140 HOLMES STREET	BRAINTREE	MA	02184
2072 0 1	19 CONRAD ST	CHIMINIELLO RALPH P		19 CONRAD STREET	QUINCY	MA	02169
2072 0 18	155 ELMLAWN RD	NGUYEN VAN VUONG	NGUYEN MAO TBYE	155 ELMLAWN RD	BRAINTREE	MA	02184
2072 0 2	3 CONRAD ST	LYONS JOHN F TRS	LYONS ANNETTE J TRS	3 CONRAD ST	BRAINTREE	MA	02184
2072 0 30	63 ROBERT ST	WONG JAMES L	WONG YONY L TBYE	63 ROBERT ST	BRAINTREE	MA	02184
2072 0 30E	198 ELMLAWN RD	SHEEHAN BRUCE P	SHEEHAN SAMANTHA L TE	198 ELMLAWN RD	BRAINTREE	MA	02184
2072 0 30F	202 ELMLAWN RD	CROWELL MARY ELLEN	CROWELL RICHARD W	202 ELMLAWN ROAD	BRAINTREE	MA	02184
2072 0 30G	55 ROBERT ST	GAUGHAN RICHARD J	GAUGHAN SUSAN M	55 ROBERT ST.	BRAINTREE	MA	02184
2072 0 4	15 CONRAD ST	RAFFA JOHN J	RAFFA JEAN TBYE	15 CONRAD ST	BRAINTREE	MA	02184
2072 0 6	27 ROBERT ST	HURLEBAUS THOMAS F	HURLEBAUS SUSAN E	27 ROBERT ST	BRAINTREE	MA	02184
2072 0 60	205 ELMLAWN RD	ANGELUCCI GIOVANNI	WOORI JOANNE JTS	205 ELMLAWN RD	BRAINTREE	MA	02184
2072 0 61	215 ELMLAWN RD	HYNES SHAWN	KELLY JESSICA A TBYE	215 ELMLAWN RD	BRAINTREE	MA	02184
2072 0 62	225 ELMLAWN RD	XU MING B		225 ELMLAWN ROAD	BRAINTREE	MA	02184
2072 0 63	235 ELMLAWN RD	SETO SHUI LUN	LEE JENNIFER K TBYE	235 ELMLAWN ROAD	BRAINTREE	MA	02184
2072 0 64	245 ELMLAWN RD	ZAHARAN SAMIEH	ZAHARAN REGINA NORTON	245 ELMLAWN ROAD	BRAINTREE	MA	02184
2072 0 65	230 ELMLAWN RD	NG PETER	NG JILL TBYE	230 ELMLAWN RD	BRAINTREE	MA	02184
2072 0 66	220 ELMLAWN RD	BAPTISTE ROLPH JEAN	WEISS RONALD J JTS	220 ELMLAWN ROAD	Braintree	MA	02184
2072 0 67	210 ELMLAWN RD	CESARZ JAMES J	CESARZ TRACEY C TBYE	455 MIDDLE STREET	BRAINTREE	MA	02184
2072 0 7	33 ROBERT ST	MCCLOUGHLIN MARY C	MCCLOUGHLIN ELIZABETH A	33 ROBERT STREET	BRAINTREE	MA	02184

End of Report

2012 060-67 ABUTTERS LIST

DATE: 11/14/13

LOCUS MAP & LOT:

LOCUS OWNER: Elmlawn LLC
LOCUS ADDRESS: Elmlawn Road Extension

CONTACT PERSON: Lisa H. Berch, Esq.
CONTACT PHONE #: 781-961-7313

PLEASE PRINT CLEARLY

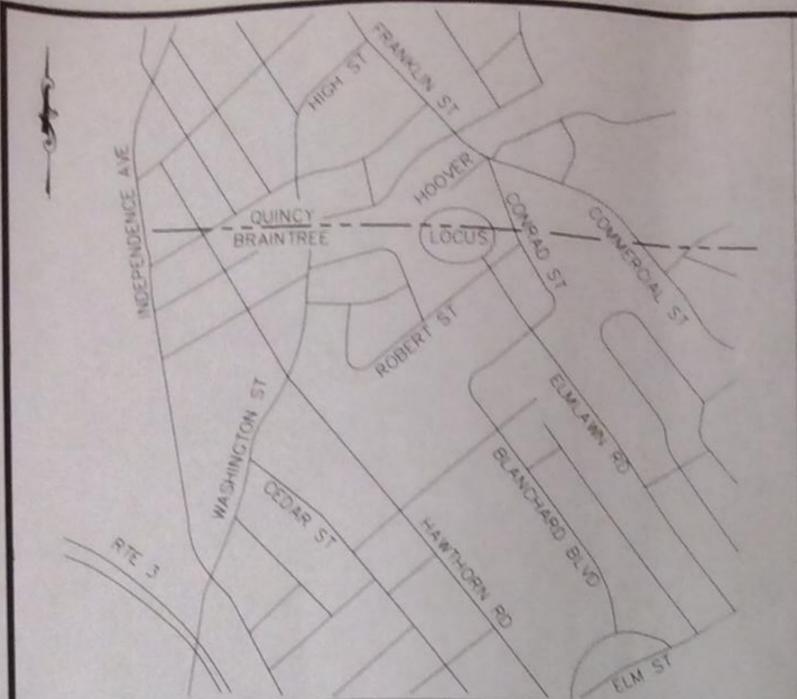
PARCEL ID / MAP AND LOT #'s	LOCATION OF PROPERTY	PROPERTY OWNER'S NAME AND MAILING ADDRESS
2070 047		
11 048		
11 049		
2070 024		
2072 030		
11 030G		
11 030D		
11 030E		

ABUTTERS LIST

PARCEL ID / MAP AND LOT #'s	LOCATION OF PROPERTY	PROPERTY OWNER'S NAME AND MAILING ADDRESS
2072 0 30F		
2072 0 18		
2072 0 7		
2072 0 6		
" 0 4		
" 0 1		
" 0 2		
2072 0 63		
" 0 64		

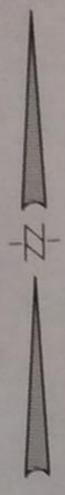
" 0 65
 " 0 66
 " 0 67
 " 0 60
 " 0 61

2072 0 62



LOCUS MAP
1 INCH = 600± FEET

PLAN BK. 614 PG. 87



CURVE	LENGTH	RADIUS
C1	5.15'	175'
C2	5.11'	175'
C3	7.54'	175'
C4	7.58'	60'
C7	7.88'	60'
C8	7.63'	60'
C11	5.27'	60'
C12	5.14'	60'
C14	20.42'	60'
C15	10.00'	60'
C17	61.63'	60'
C18	109.04'	120'

METES AND BOUNDS DESCRIPTION

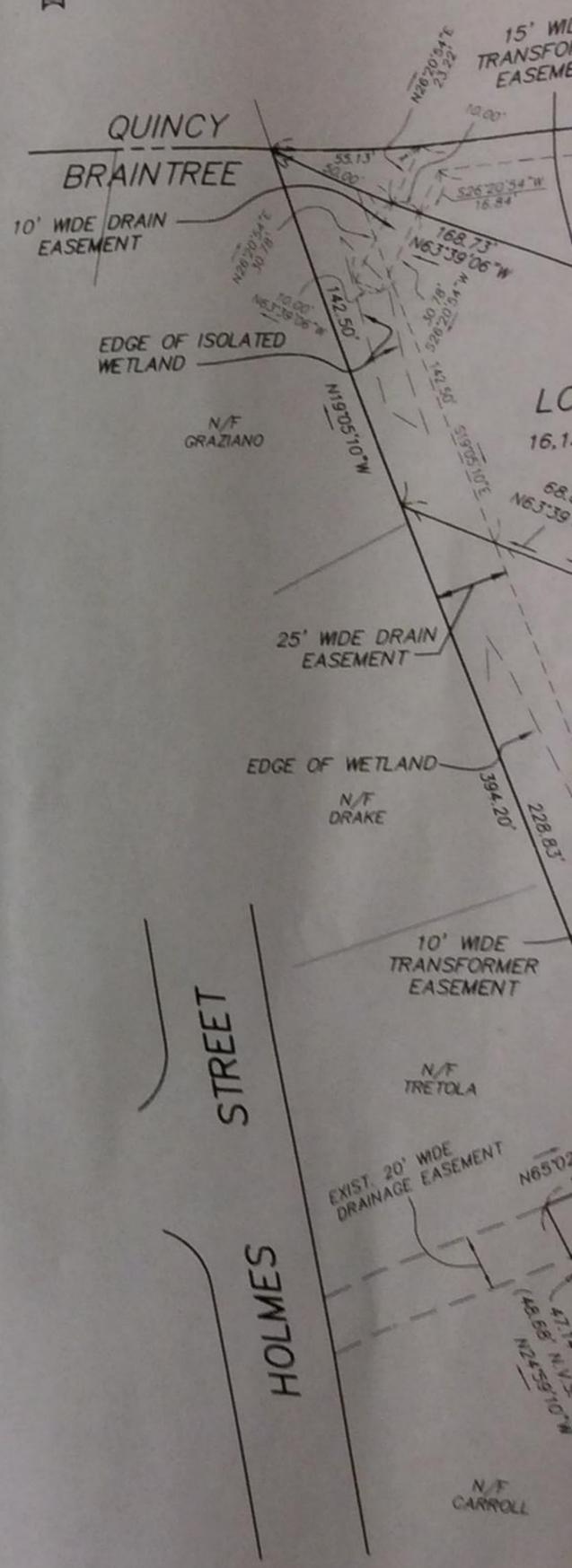
ELMLAWN ROAD MODIFICATION, BRAINTREE, MA

BEGINNING AT A POINT ON ROBERT STREET AT THE SOUTHWESTERLY CORNER OF ELMLAWN ROAD

- NORTHERLY ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET AND A LENGTH OF 18.81 FEET ALONG ELMLAWN ROAD TO A POINT; THENCE RUNNING
- N06°57'01"W 114.89 FEET TO A POINT; THENCE TURNING AND RUNNING
- S83°02'59"W 4.89 FEET TO A POINT; THENCE TURNING AND RUNNING
- NORTHWESTERLY ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 125.00 FEET AND A LENGTH OF 145.18 FEET ALONG ELMLAWN ROAD TO A POINT; THENCE RUNNING
- WESTERLY ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET AND A LENGTH OF 42.77 FEET ALONG ELMLAWN ROAD TO A POINT; THENCE RUNNING
- NORTHWESTERLY ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 60.00 FEET AND A LENGTH OF 290.63 FEET ALONG ELMLAWN ROAD TO A POINT; THENCE RUNNING
- EASTERLY ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET AND A LENGTH OF 17.90 FEET ALONG ELMLAWN ROAD TO A POINT; THENCE RUNNING
- SOUTHEASTERLY ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 175.00 FEET AND A LENGTH OF 148.14 FEET ALONG ELMLAWN ROAD TO A POINT; THENCE RUNNING
- S45°36'59"W 2.50 FEET TO A POINT; THENCE TURNING AND RUNNING
- SOUTHERLY ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 172.50 FEET AND A LENGTH OF 107.41 FEET ALONG ELMLAWN ROAD TO A POINT; THENCE RUNNING
- S83°02'59"W 2.55 FEET TO A POINT; THENCE TURNING AND RUNNING
- S06°57'01"E 94.92 FEET TO A POINT; THENCE TURNING AND RUNNING
- EASTERLY ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET AND A LENGTH OF 28.31 FEET ALONG ELMLAWN ROAD TO A POINT AT THE INTERSECTION OF ROBERT STREET; THENCE RUNNING
- S64°53'58"W 73.66 FEET ALONG ROBERT STREET TO THE POINT OF BEGINNING

RECORD LOT OWNERS:

- LOT 1A
N/F ANGIUCCI & WUORI
40 ALBERTINA STREET, QUINCY, MA
- LOT 2
N/F HYNES
215 ELMLAWN ROAD, BRAINTREE, MA
- LOT 3
N/F MING
225 ELMLAWN ROAD, BRAINTREE, MA
- LOT 4
N/F SETO & LEE
235 ELMLAWN ROAD, BRAINTREE, MA
- LOT 5
N/F ZAHRAN
245 ELMLAWN ROAD, BRAINTREE, MA
- LOT 6
N/F PETER AND JILL NG
230 ELMLAWN ROAD, BRAINTREE, MA
- LOT 7A
N/F BAPTISTE & WEISS
220 ELMLAWN ROAD, BRAINTREE, MA
- LOT 8A
N/F CESARZ
210 ELMLAWN ROAD, BRAINTREE, MA



LINE	BEARING	LINE
L1	N58°30'57"E	10.00'
L2	N31°29'03"W	10.00'
L3	N58°30'57"E	12.29'
L4	N20°54'36"E	15.00'
L5	S69°05'04"E	15.00'
L9	N14°26'48"W	18.71'
L10	N55°32'46"W	15.00'
L11	N34°27'14"E	15.00'
L12	N55°32'46"W	18.72'
L16	S27°04'21"W	10.00'
L17	N62°55'39"W	10.00'
L18	S27°04'21"W	12.85'
L20	S17°05'31"W	35.66'
L21	N24°46'59"W	30.02'
L22	S45°59'04"W	10.00'
L23	N44°00'56"W	10.00'
L24	S45°59'04"W	10.00'

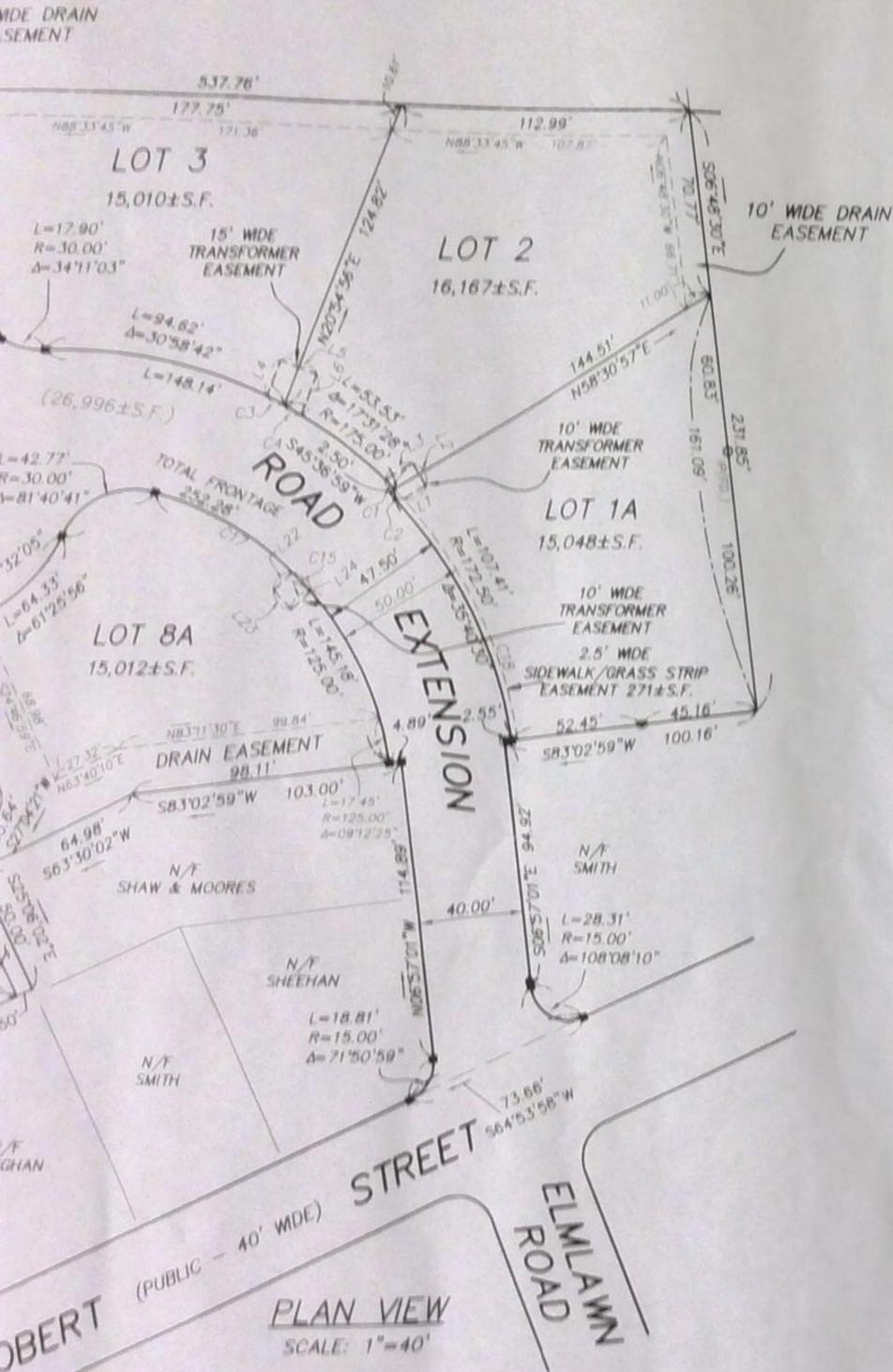
IRC(FD) - DENOTES IRON ROD CAP FOUND
 ■ - INDICATES GRANITE BOUND SET

ASSESSORS REFERENCE:

BRAINTREE MAP 2072 LOTS 60-67

PLAN REFERENCE:

ELMLAWN ROAD
 SUBDIVISION MODIFICATION
 DATED 1-15-2011
 PLAN BK. 614 PG. 87



I CERTIFY THAT THIS PLAN HAS BEEN PREPARED IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE REGISTERS OF DEEDS OF THE COMMONWEALTH OF MASSACHUSETTS.



8-15-12
 DATE

RESERVED FOR REGISTRY USE

RECOMMENDED BY THE BRAINTREE PLANNING BOARD

DATE:

ACCEPTED BY THE BRAINTREE CITY COUNCIL-MAYOR

DATE:

APPROVED AND ADOPTED AS THE OFFICIAL CITY WAY LAYOUT OF THE CITY COUNCIL AND MAYOR OF BRAINTREE.

I CERTIFY THAT THIS LAYOUT WAS RECEIVED AND A COPY PLACED ON FILE AT THE OFFICE OF THE CITY CLERK IN ACCORDANCE WITH MASSACHUSETTS GENERAL LAWS, CHAPTER 82, SECTION 23.

BRAINTREE CITY CLERK

DATE

REVISIONS

No.	DATE	DESCRIPTION

BORDERLAND ENGINEERING, INC.

Civil Engineering · borderlandeng.com · Site Planning
 61b Pleasant Street office 781-963-9500
 Randolph, MA 02368 fax 888-566-4131

**STREET ACCEPTANCE PLAN
 IN
 BRAINTREE, MASSACHUSETTS
 ELMLAWN ROAD EXTENSION**

OWNER:

N/F ELMLAWN, LLC
 678 DEPOT STREET, EASTON, MA
 DEED BK. 28337 PG. 260

"ALMQUIST ESTATES MODIFICATION"

DRAWING SCALE: 1 INCH = 40 FEET

PROJECT NUMBER: P1274

DATE: AUGUST 15, 2012

SHEET 1 OF 1



Department of Planning and Community Development

Melissa M. SantucciRozzi, Principal Planner
1 JFK Memorial Drive – Braintree, Massachusetts 02184
Phone: 781-794-8234 Fax: 781-794-8089

Joseph C. Sullivan
Mayor

PLANNING BOARD

Robert Harnais, Chair
Joseph Reynolds, Vice Chair
James Eng, Clerk
Darryl Mikami, Member
Melissa B. McDonald, Member

TO: Braintree Town Council President Charles Kokoros
FROM: Braintree Planning Board
DATE: December 12, 2013
RE: Recommendation for Street Acceptance
Elmlawn Road Ext. - TCO #13-062

The Braintree Planning Board held a discussion at their December 10, 2013 Meeting. It was noted at the Meeting that this Roadway was created pursuant to the Subdivision Control Law as shown on a Definitive Plan Approved by the Planning Board in July of 2010 which was subsequently amended in March of 2012. The Subdivision has been completed in accordance with the Definitive Plan and received As-Built Approval from the Planning Board in July 2013. All Sureties being held by the Planning Board have been released and the Applicant's Attorney has turned over the Bank Account (\$1,000.00) to the Homeowners Association which is required to maintain the Drainage located outside of the Public Layout in perpetuity.

The Planning Board voted on December 10, 2013 to recommend favorable action to the Town Council on the Petition for Street Acceptance;

	<u>Favorable</u>	<u>Unfavorable</u>
Robert Harnais, Chair	X	
Joseph Reynolds, Vice-Chair	X	
James Eng, Member	X	
Darryl Mikami, Member	X	
Melissa B. McDonald, Member		NOT PRESENT

CHARLES C. KOKOROS
President
District 1

LELAND A. DINGEE
At Large

SEAN E. POWERS
At Large

CHARLES B. RYAN
At Large

JOHN C. MULLANEY
District 2



RECEIVED TOWN CLERK
BRAintree, MA
2014 JAN -6 AM 10:28

THOMAS M. BOWES
Vice President
District 3

HENRY N. JOYCE
District 4

RONALD E. DENAPOLI
District 5

PAUL "DAN" CLIFFORD
District 6

OFFICE OF THE TOWN COUNCIL

TOWN OF BRAintree PUBLIC HEARING

The Town Council of the Town of Braintree will hold a Public Hearing on Tuesday, **January 21, 2014** starting at 7:30PM at the Horace T. Cahill Auditorium at Town Hall, 1 JFK Memorial Drive, Braintree, MA for the purpose of hearing Council **Order No: 13 062: Elmlawn LLC Petition Street Acceptance – Elmlawn Road Extension**. The full text of the proposed petition with maps/plans are available for review at the Braintree Planning and Community Development Office located at 90 Pond Street, Braintree and also at the Braintree Town Clerk's Office located at 1 JFK Memorial Drive during normal business hours (M-F 8:30 am - 4:30 pm). **Disclaimer:** "This document is published for the benefit of the public, solely for purposes of information and to make the public aware of the general nature of certain subject matter the Town Council may consider at a future meeting. This publication is not intended to suggest that the measure will be adopted in this precise form, that it will be adopted with amendments, or that it will be adopted at all. Notwithstanding any amendments which may be made to this proposal by the Town Council it will not be published again before final enactment unless at least three Councilors vote to require such publication before final enactment."



Office of the Mayor

One JFK Memorial Drive
Braintree, Massachusetts 02184

Joseph C. Sullivan
Mayor

781-794-8100

December 23, 2013

To: Charles Kokoros, President, Braintree Town Council

From: Joseph C. Sullivan, Mayor

JCS

Re: Appointment of Ronald Frazier to Community Preservation Committee

Cc: Clerk of the Council

Town Clerk

Christine Stickney, Director of Planning and Community Development

Pursuant to the authority vested in the Mayor by Article 3, Section 3-3 of the Charter of the Town of Braintree, also known as Chapter 189 of the Acts of 2005, I hereby appoint Ronald F. Frazier of 132 Middle Street to the Community Preservation Committee.



Office of the Mayor

One JFK Memorial Drive
Braintree, Massachusetts 02184

Joseph C. Sullivan
Mayor

781-794-8100

To: Charles C. Kokoros, President of the Council
Clerk of the Council
Town Clerk

Cc: Edward Spellman, Director of Municipal Finance
Peter J. Morin, Chief of Staff and Operations

From: Joseph C. Sullivan, Mayor *JCS*

Date: January 2, 2014

RE: Haemonetics application for Project Approval

RECEIVED TOWN CLERK
BRAINTREE, MA
2014 JAN -2 PM 2:20

As you are aware we have recently received a proposal from Haemonetics requesting the Town of Braintree make an application to the Commonwealth of Massachusetts Economic Assistance Coordinating Council for approval of a project for participation in an Economic Development Incentive Program, which may include a Special Tax Assessment.

While the matter is still the subject of negotiation, discussions have proceeded to the point where they should be brought to the council for its consideration. I would ask that it be referred to the Committee on Ways and Means for their consideration, preferably on Tuesday, January 14, 2014, and before the full council on January 21, 2014.



Haemonetics Corporation
400 Wood Road
Braintree, MA 02184-9114
www.haemonetics.com

Brian Concannon
President & CEO
Tel: (781) 356-9790
Fax: (781) 356-9935

November 20, 2013

The Honorable Joseph C. Sullivan
Mayor of Braintree
1 John F. Kennedy Memorial Drive
Braintree, MA 02184

Dear Mayor Sullivan:

Thank you for visiting our Corporate Global Headquarters on Wood Road on Monday, along with members of the Town Council and your administration.

We have been proud to call Braintree home for the last three decades and look forward to working with you and your administration on our future plans.

Best Regards,

Brian Concannon
President & CEO



400 Wood Road
Braintree, MA 02184-9114
Tel: 781.848.7100
www.haemonetics.com

Sandra L. Jesse
Chief Legal Officer
Tel: 781-356-9253

November 21, 2013

The Honorable Joseph C. Sullivan
Mayor of Braintree
1 John F. Kennedy Memorial Drive
Braintree, MA 02184

Dear Mayor Sullivan:

On behalf of Haemonetics Corporation, I would like to thank you and the Braintree local officials for meeting at our facility on November 18, 2013, and discussing our proposed project.

As noted, our proposed plans consist of developing a new research and development technology center at our owned facility here in Braintree. We plan to invest approximately \$10 million, resulting in the retention of 414 full-time jobs and the creation of an additional 125 full-time jobs within a 5 year period, reflecting what we expect to be an incremental \$8 million in additional salaries.

It is our intent to apply as a Certified Project under the Commonwealth's Economic Development Incentive Program (EDIP), which may include local real estate tax relief in the form of a Special Tax Assessment (STA). It is our understanding that a site specific Economic Opportunity Area (EOA) would need to be designated.

As part of our expansion plans, we propose a five (5) year exemption term as outlined below and in the attached spreadsheet.

Year	Exemption Percentage
1	100%
2	90%
3	75%
4	50%
5	45%

This expansion would retain and create full-time jobs and continue to infuse significant dollars into the community and enhance the local economy.

The proposed incentives offered under the EDIP are essential in order for Haemonetics to proceed with this project.

We respectfully request that you let us know if you would be receptive to this proposal.

Sincerely,



Sandra L. Jesse

5 Year Braintree Special Tax Assessment (STA) Proposal Assumptions

Total Building Square Footage =	180,000
Current Assessed Value =	\$9,717,600
Current Annual Tax Payment =	\$247,216
Tax Rate per \$1000 =	\$25.44

Existing owned facility Map 2053C Lot 1F

Year	Estimated Property Tax Base Value	Estimated Base Property Tax	% Exempt*	Estimated STA Savings to Company	Estimated Property Tax Revenue to Town with STA	Estimated Personal Property Tax	Estimated Total Revenue to Town with STA
1	\$9,717,600	247,216	100%	247,216	0	17,000	17,000
2	\$9,717,600	247,216	90%	222,494	24,722	17,000	41,722
3	\$9,717,600	247,216	75%	185,412	61,804	17,000	78,804
4	\$9,717,600	247,216	50%	123,608	123,608	17,000	140,608
5	\$9,717,600	247,216	45%	111,247	135,969	17,000	152,969
Est. Real Property		1,236,080	72%	889,977	346,103	85,000	431,103
Electrical Fees		500,000 x 5 years			2,500,000		2,500,000
TOTALS				889,977			2,931,103

**Total Tax
Savings to
Company**

**Total Revenue
to Town**

Assumptions based on no annual increase in assessed property values or tax rate.
Projected assessed values to be determined by local Assessor.



Company Background

Founded in 1971 and headquartered in Braintree, Massachusetts, Haemonetics is a global healthcare company specializing in blood management solutions. The Company's comprehensive portfolio of integrated medical devices, information management, and consulting services offers blood management solutions for each facet of the blood supply chain, from plasma and blood collectors to hospitals. The Company operates 10 facilities throughout the world and markets its products in 90 countries.

Renovation Project

Due to a growing demand for its products and services, Haemonetics has realized the need to develop a research and development technology center for excellence. A real estate site search has been conducted, and remaining and investing in Braintree has been identified as a viable option.

Haemonetics currently occupies approximately 228,000 square feet of space in Braintree. The Company plans to renovate space for the proposed project at the 180,000 square foot facility it currently owns, and invest an estimated \$10 million, including \$7.4 million for building improvements and \$2.6 million for personal property.

Economic Development Benefits to Braintree

- Keep the largest life science company in Braintree.
 - Retain 414 permanent full-time jobs in Massachusetts
 - Retain 394 jobs in Braintree; 274 jobs at owned facility, 120 jobs at leased facility
 - Transfer 20 jobs from Stoughton.
 - Create 125 new, permanent full-time jobs in Braintree
 - Jobs include highly skilled positions in the areas of engineering, technicians, administration, finance and information technology.
 - Haemonetics plans to advertise jobs on-line and participate in local job fairs.
 - Braintree has collected an estimated \$22 million in revenue from Haemonetics over 35 years and would continue to collect significant revenue.
 - Braintree would generate permit fees and new real estate taxes due to renovation project.
 - Braintree would continue to collect greater hotel and meal taxes due to Haemonetics local spending.
 - Haemonetics and its employees spend an estimated \$2 million annually with local service providers and business establishments.
 - Haemonetics has a solid track record of community involvement. The Company is dedicated to supporting local programs.
 - Braintree is positioned to keep a longstanding business with deep roots in the community.
-

What is an STA?

A Special Tax Assessment (STA) is an economic development tool designed to assist with business expansion and job growth under the Commonwealth's Economic Development Incentive Program (EDIP). It can be offered within an Economic Target Area (ETA) such as Braintree and within a site-specific Economic Opportunity Area. An STA provides a company with a tax exemption of up to twenty years on the full-assessed value of the project property.

The proposed STA for Haemonetics would help Braintree remain an attractive option for the Company and assist in providing both short- and long-term benefits to Braintree, the region, and the Commonwealth of Massachusetts.

STA Proposal Projections

5-year STA Exemption Percentage Terms
100-90-75-50-45

Current Annual Real Estate Taxes to Braintree	
Current annual taxes paid to Braintree <i>(Based on FY14 tax rate and assessed value)</i>	\$253,241
Current taxes paid to Braintree over a 5-year period <i>(Assessed values or tax rate may change annually)</i>	\$1,266,205
Estimated Revenue to Braintree	
Real estate tax revenue with STA to Braintree over a 5-year period	\$354,537
Utility Fees and Personal Property over a 5-year period	\$2,585,000
Total Estimated Revenue to Braintree over 5-year period	\$2,939,537
Estimated Tax Savings to Company	
Projected real estate tax relief over a 5-year period	\$911,668
Projected annual average tax relief	\$182,334

Presentation
for
Braintree Committee on Ways & Means



January 15, 2013

Company Overview

Blood Management Solutions



Dr. Jack Latham,
Founder

- Founded in 1971
- Public company – NYSE: HAE
- Global – serving customer needs in 90 countries
- 3,700 employees
- A history of innovation in blood separation and process improvement
 - Cell salvage
 - Platelet apheresis
 - Red cell apheresis
 - Automated cell washing and freezing
 - Web portal dashboard for blood management
 - Automated blood tracking and inventory management

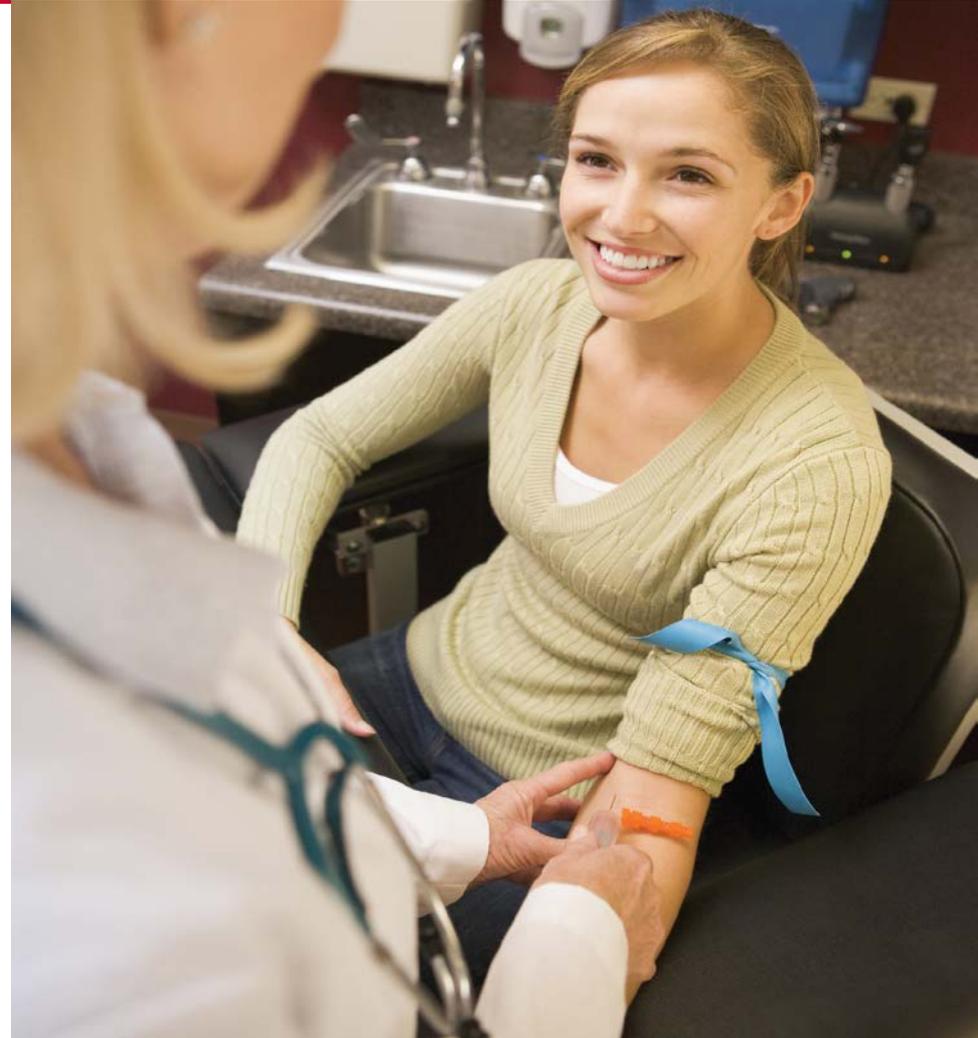
Company Vision and Mission

Our Vision:

From the arm of the donor to the arm of the patient, Haemonetics is *THE* global leader in blood management solutions for our customers.

Our Mission:

Advance the safety, quality, and availability of the world's blood supply while enhancing the donor experience, improving patient care, lowering costs, and optimizing healthcare delivery.



Haemonetics' Established Strengths

Proven customer success

- 40+ year track record of market leadership and innovation
- Customer installations in over 90 countries
- Ongoing commitment to improving blood management processes

Arm to Arm[®] solutions

- Industry's broadest portfolio of blood management solutions
 - Blood collection and separation technologies
 - Surgical blood salvage systems and diagnostic products
 - Information technology platforms
 - Consulting services

Global services expertise

- Dedicated industry experts – implementations & best practices
- Proven customer services success
 - Winner of North Face award - 13th consecutive year

Industry commitment

- First to respond to blood management solution needs
- Invested over \$750M toward industry solutions in the last 6 years

Haemonetics Blood Collection Products

Single-use disposables



Kits for collecting whole blood and storing blood components



Kits for pooling, storing and bacteria-testing platelets



Filters for blood components and use at patient bedside

Devices



MCS⁺



PCS 2

Devices for collecting blood components



Haemonetics' planned distribution network is aligned with our customer footprint

Distribution network supports business activity in over 90 countries



Proposed Expansion Plans

The Company occupies an estimated 228,000 square feet of space in Braintree, Massachusetts.

Due to increased demand, the Company has realized the need for additional corporate and research and development space.

The Company has conducted a real estate site search.

Remaining and investing in Braintree has been identified as a viable option.



Proposed Expansion Plans

Investment Plan

Renovate owned 180,000 square foot facility to accommodate a technology center for research and development.

Project investment is estimated at \$10 million, including:

- \$7.4 million in renovation costs;
 - lab space
 - office
 - façade improvements
- \$2.6 million for new personal property;
 - furniture
 - fixtures
 - R&D computers and equipment



*Haemonetics
Braintree, MA*

Renovation Design Concept



Proposed Job Creation Plans

- Retain 414 permanent full-time jobs
 - 394 jobs in Braintree
 - 274 jobs at owned facility
 - 120 jobs at leased facilities
 - 20 jobs to be relocated from Stoughton
- Create 125 new permanent full-time jobs
- Jobs would require a blend of talents and skills in diverse positions, including:
 - Engineering
 - Technicians
 - Administration
 - Finance
 - Information Technology
- Competitive salaries and benefits



Economic Impact

The Company and its employees spend an estimated \$2 million annually with local businesses such as:

- Hotels
- Delis and Restaurants
- Personal Care
- Auto Repair & Maintenance



Braintree Town Hall



Braintree Mall



Community Involvement

The Company has a history of community involvement and has been dedicated to supporting local programs, including:

- Starlight Children's Foundation
- Toys for Tots Foundation
- One Fund Boston
- Community Service Days



Haemonetics donated 30 bicycles to Starlight Children's Foundation

STA Proposal Projections

5-year STA Exemption Percentage Terms 100-90-75-50-45

Current Annual Real Estate Taxes to Braintree	
Current annual taxes paid to Braintree <i>(Based on FY14 tax rate and assessed value)</i>	\$253,241
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Estimated Tax Savings to Company	
Projected real estate tax relief over a 5-year period	\$911,668
Projected annual average tax relief	\$182,334

Eric,

Attached is my projection of the tax increases for the property at 400 Wood Road.
I have made the following assumptions

Phase 1 and 2 would affect value 1/1/2015 for FY 2016.

Phase 3 in value for 1/1/2016 for FY 2017

Five year period would be FY 2017-2021

Assumed increase in building value of \$7,400,000 and personal property of \$2,400,000

Assumes an increase in property tax rate of 2.5% per year based on FY 2014 actual

The last three columns are

Projected taxes with development

Requested exemption

Next tax payments

Based on these calculations the project tax payback period on these assumptions is 6.29 years

This does not take into account the projected building permit fee of \$148,000 and other mitigation

Ed

Hamonetics
400 Wood RD

year	land	build	other	total	total/1000	2.50% incr tax rate	tax	1% cpa	Projected Taxes total	Requested exemptions	net tax payments	
fy 2014	4,473,300	5,157,000	87,300	9,717,600	9,718	26.06	253,241	2,532	255,773			
fy 2015	4,473,300	5,157,000	87,300	9,717,600	9,718	26.71	259,572	2,596	262,167			
fy 2016	4,473,300	5,157,000	87,300									
1/1/2015 phase 1		900,000	600,000									
1/1/2015 phase 2		4,000,000	1,000,000	16,217,600	16,218	27.38	444,026	4,440	448,467			
							FY 2016 increase	448467-262167	186,299			
fy 2017	4,473,300	5,157,000	87,300									
phase 1		900,000	600,000									
phase 2		4,000,000	1,000,000									
1/1/2016 phase 3	-	2,500,000	1,000,000	19,717,600	19,718	28.06	553,350	5,534 A	558,884	1 100%	558,884	-
fy 2017 total	4,473,300	12,557,000	2,687,300	19,717,600								
fy 2018	4,473,300	12,557,000	2,687,300	19,717,600	19,718	28.77	567,184	5,672 A	572,856	2 90%	515,570	57,286
fy 2019	4,473,300	12,557,000	2,687,300	19,717,600	19,718	29.48	581,364	5,814 A	587,177	3 75%	440,383	146,794
fy 2020	4,473,300	12,557,000	2,687,300	19,717,600	19,718	30.22	595,898	5,959 A	601,857	4 50%	300,928	300,928
fy 2021	4,473,300	12,557,000	2,687,300	19,717,600	19,718	30.98	610,795	6,108 A	616,903	5 45%	277,606	339,297
								sumA	2,937,676.26		2,093,371.43	844,305
increased building value		7,400,000										
permit fee			1					2017			558,884	
\$20 per 1000								2014			(255,773)	
projected building permit fee		148,000						variance			303,111	
								five yr sta			2,093,371.43	
								less 2016 increase			(186,299)	
								net			1,907,072.22	
								projected increased variance			303,111	
								projected payback period in years			6.29	
								FY 2015 estimate			262,167	
								five yr over current .			1,310,837	
								less 2016 increase			(186,299)	
								net			1,124,538	
								less receipts			(844,305)	
											280,233	
								projected increased variance			303,111	
								projected payback period in years			0.92	

MOTION

That the Town Council support the application of Haemonetics Corporation to the Massachusetts Economic Assistance Coordinating Council (EACC) for Certified Project Status for its “Local Tax Incentives Only” Project.

**SPECIAL TAX ASSESSMENT (“STA”) AGREEMENT
(Alternatively, the “Agreement”)
BETWEEN**

**THE TOWN OF BRAINTREE
(Alternatively, the “Town”)**

**HAEMONETICS CORPORATION
(Alternatively, the “Company”)**

DRAFT

This **AGREEMENT** is made as of this [REDACTED] day of [REDACTED], 2013 by and between the Town and the Company.

WHEREAS the Company is a Massachusetts corporation having its principal office at 400 Wood Road Braintree, MA 02184 and is authorized to do business in Massachusetts; and

WHEREAS the Town is a Massachusetts municipal corporation, acting through its Town Council, having its principal office at 1 John F. Kennedy Memorial Drive , Braintree, MA 02184; and

WHEREAS the project (“Project”) is expected to result in an estimated capital investment of approximately \$10 million, including \$7.4 million for renovation costs and \$2.6 million for new personal property at the Property by the Company; and

WHEREAS the Project consists of renovating space to accommodate a technology center for research and development within an estimated 180,000 square foot building located at 400 Wood Road, Braintree, Massachusetts, which parcel is shown on Braintree’s Town Assessors Map 2053C, Lot 1F (hereinafter the “Property”); and

WHEREAS the Company plans to retain 414 full-time jobs, 394 jobs currently in Braintree; 274 jobs at owned facility, 120 jobs at the two leased facilities and 20 jobs to be relocated from Stoughton and create 125 new, full-time permanent jobs; and

WHEREAS the Property is located within the boundaries of the Quincy Area Economic Target Area (ETA) (as that term is used in Massachusetts General Laws, Chapter 23A, Section 3D, and referred to below as the “ETA”); and

WHEREAS the Company intends to apply for status as a Certified Project under the Massachusetts Economic Development Incentive Program; and

WHEREAS the Property is located within the 400 Wood Road Economic Opportunity Area (EOA) (as that term is used in Massachusetts General Law, Chapter 23A, Section 3E, and referred to below as the “EOA”); and

WHEREAS the Town strongly supports increased economic development to provide additional jobs, expand business within the Town, and to develop a healthy economy and stronger tax base; and

WHEREAS the Project will further the economic development goals and criteria established for the ETA and EOA; and

WHEREAS, on [REDACTED], Town Council approved the STA Plan and Agreement.

Now, **THEREFORE**, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

THE TOWN'S OBLIGATIONS

1. A Special Tax Assessment exemption (the "Exemption") is hereby granted to the Company by the Town in accordance with Chapter 23A, Section 3E of the Massachusetts General Laws. The Exemption shall be for a period of five (5) years (the "Exemption Term"), commencing in the fiscal year following the completion of the third phase of the Project as set forth in Paragraph 3 of the Company's Obligations hereunder and is issued a Certificate of Occupancy (hereinafter referred to as the "Start Date"), and shall provide an exemption from taxation on the full assessed value of the Property as follows:

<u>Year</u>	<u>Exemption Percentage</u>
1	100%
2	90%
3	75%
4	50%
5	45%

2. The exemption shall be based on the assessed value of the real property for each year in which the exemption applies.
3. The Special Tax Assessment will apply to the full assessed valuation of the Property. The Special Tax Assessment shall remain in place regardless of any increased value on the Property during the STA term.

THE COMPANY'S OBLIGATIONS

The Town grants the Exemption to the Company in consideration of and commitment by the Company of the following:

1. The Company shall retain 414 full-time jobs, 394 jobs currently in Braintree; 274 jobs at owned facility, 120 jobs at the two leased facilities and 20 jobs to be relocated from Stoughton and create 125 new, permanent, full-time jobs.
2. The Company job retention and creation plans for this Project are outlined in the Workforce Analysis Plan section of the Incentives Application in connection with the Company's requests for an STA exemption (the "Application").
3. The Project consists of an estimated \$10 million investment, including \$7.4 million in renovation costs for lab and office space, general facility and façade improvements and \$2.6 million for personal property including furniture, fixtures, and research and development computers and equipment. Should the project proceed it will consist of three phases as follows:

Phase 1: \$900,000 for renovation costs including offices and labs and \$600,000 for personal property including furniture and research & development equipment. Completion expected by 3rd quarter 2014.

Phase 2: \$4 million for renovation costs including offices, general facility, facade improvements and \$1 million for personal property including furniture and fixtures. Completion expected by 1st quarter 2015.

Phase 3: \$2.5 million for renovation costs including offices, general facility, and labs and \$1 million for personal property including furniture and research & development equipment. Completion expected by 3rd quarter 2015.

4. The Company shall submit annual reports on job retention, and new investments at the Property to the Massachusetts Economic Assistance Coordinating Council (“EACC”) and the Town for each year of the Application designation. The annual report shall include the number of permanent full-time jobs retained and created and the value of capital investments made by the Company with respect to the Property annually and on a cumulative basis.
5. If the Company fails to meet the obligations specified in Sections 1 through 4 above, the Town, acting through its Town Council, may take action to request decertification of the Project by the EACC. Prior to taking any action to request decertification of the Project by the EACC, the Town shall give written notice of the alleged default to the Company and an opportunity to meet with Town officials to discuss a cure for the alleged default. The Company shall have 30 days to respond to the Town regarding any alleged default and 120 days to remedy such default. If the Project is decertified, the Town shall discontinue the Special Tax Assessment Exemption benefits provided to the Company prospectively, commencing with the first fiscal year in which the Project is decertified, or if such benefits have already been received by the Company for the fiscal year in which the Project has been decertified, commencing as of the fiscal year immediately following that fiscal year.
6. If the Company plans to move from the Property, the Town shall be given thirty (30) days advance written notice.

OTHER CONSIDERATIONS

1. This Agreement shall be binding upon the Company, their successors and assigns.
2. The matters described above as obligations of the Company are only conditions to the eligibility for tax exemptions under this Agreement, and do not create any enforceable obligations or covenants of the Company. The Town’s sole remedy for failure by the Company to satisfy any of its respective obligations and conditions are set forth in Paragraph 5 of the Company’s Obligations section of this Agreement.
3. This Agreement is subject to Massachusetts General Laws Chapter 23A, Section 3A-3F inclusive.
4. Should any provision of the Agreement be declared or be determined by a Court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms, and provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of the Agreement.
5. The time within which the Company shall be required to perform any of its respective acts or obligations under this Agreement shall be extended to the extent that the performance of such obligations shall be delayed by a Force Majeure Event. A Force Majeure Event means acts of God, earthquakes, fire, acts of terrorism, war, labor disputes, delays or restrictions by government bodies, or any other cause beyond the reasonable control of the Company.

WITNESSETH the execution and delivery of this Agreement by the Town and the Company as an instrument under seal as of the date first above written.

AGREED TO:

Haemonetics Corporation

Town of Braintree

By: _____

Joseph C. Sullivan, Mayor

Name: _____

Title: _____

Date of Signature

Date of Signature

Town of Braintree Special Tax Assessment Plan
HAEMONETICS CORPORATION
(Alternatively, “Haemonetics” or the “Company”)

DRAFT

I. Location

A. Economic Target Area

The proposed Economic Opportunity Area (EOA) is located within the Quincy Area Economic Target Area including the communities of Braintree, Canton, Dedham, Hingham, Hull, Norwood, Quincy, Randolph, Stoughton and Weymouth.

B. Municipality

Town of Braintree

C. Special Tax Assessment Zone (STA) Zone

1. Map

A map of the proposed STA Zone, which indicates the general location, parcel, property line and building outline, public uses and easements, land use and zoning, and proximity to other projects, is attached to the EOA application.

2. Description

The STA Zone is commonly referred to on the Assessor’s Map 2053C, Lot 1F and is located wholly within the EOA.

3. Description of STA Zone, needs, and opportunities

The STA Zone would allow for the renovation of an estimated 180,000 square foot building that is owned by the Company described below, thereby resulting in significant and tangible benefits to the Town of Braintree (the “Project”).

4. Property Owners within the proposed zone

The owner of the property within the STA Zone is Haemonetics Corporation.

II. Time

The duration of this STA Plan is five (5) years commencing at (the "Start Date") as outlined in the STA Agreement. Should the Project proceed, renovation investments are expected to commence by 3rd quarter 2014, and the Project expected to be complete by 3rd quarter 2015.

III. STA Zone and Economic Development

- A. Discuss how the STA Zone is poised to create new economic development opportunities.

The Project plan consists of renovating the Company owned building consisting of an estimate 180,000 square feet to accommodate a proposed technology center for research and development. The total Project investment is estimated at \$10 million, including \$7.4 million for building improvements and \$2.6 million for personal property. The Company plans to retain 414 permanent full-time jobs, 394 jobs currently in Braintree; 274 jobs at owned facility, 120 jobs at the two leased facilities and 20 jobs to be relocated from Stoughton and create 125 new, permanent full-time jobs.

- B. Discuss how the STA Zone will result in a net economic benefit to the local municipality.

The Project would have a positive impact on the local economy. The facility has both direct and indirect impact on additional economic activity including temporary construction jobs created and increased local spending as a result of this project.

- C. Analysis of proposed and potential land uses.

There is no anticipated change in land use.

- D. Zoning in STA Zone

The property is zoned as Industrial within the STA Zone.

- E. Identify any parcels, public or private, in zone which are confirmed hazardous waste disposal sites, in accordance with Chapter 21E.

The Company is not aware of any hazardous materials on site.

- F. Analyses of how the land uses are appropriate for anticipated economic development.

The land is zoned for specified Industrial. The proposed building renovation project is the type of project envisioned for this property.

- G. Discuss proximity of STA Zone to mass transit and to major rail, highway, or other modes of transportation for shipping & delivery.

Braintree is located approximately 13 miles from Boston. Situated at the junction of Routes 95/128 and Route 3, Braintree provides an excellent location for its residents and its businesses, with easy access to Boston, but with all the elements of a beautiful suburban community. Braintree provides the further convenience of having MBTA commuter rail lines and full MBTA bus service.

- H. Identify principal commercial and industrial tenants within STA zone.

The building will be fully occupied by the Company within the STA zone.

IV. STA Zone Projects

A. Private Projects

Haemonetics, founded in 1971, is a global healthcare company headquartered in Braintree, Massachusetts. In its earlier years, Haemonetics was a pioneer and market leader in developing and manufacturing medical devices which changed the way blood was collected and processed at plasma and blood collection centers, and in the surgical suite to protect patient safety.

Today, Haemonetics is the leader in blood management solutions. The Company operates 10 facilities throughout the world and markets its products in 90 countries. The Company is dedicated to advancing the safety, quality and availability of the world's blood supply while enhancing donor and patient care, improving healthcare delivery, and reducing costs. Haemonetics comprehensive portfolio of integrated medical devices, software, and consulting services offers blood management solutions for each facet of the blood supply chain, and helps to improve clinical outcomes and reduce costs for blood and plasma collectors, hospitals, and patients around the world.

Due to a growing demand for its innovative products and services, the Company has realized the need to accommodate a proposed technology center for research and development at its owned 180,000 square foot facility. The Company operates out of three buildings (one owned and two leased) in Braintree consisting of approximately 228,000 square feet. A real estate site search has been conducted and remaining and investing in Braintree has been identified as a viable option.

The total Project investment is estimated at \$10 million, including \$7.4 million in renovation costs consisting of lab and office space, general facility and façade improvements and \$2.6 million for personal property including furniture, fixtures and research and development computers and equipment. Should the project proceed it will consist of three phases as follows:

Phase 1: \$900,000 for renovation costs including offices and labs and \$600,000 for personal property including furniture and research & development equipment. Completion expected by 3rd quarter 2014.

Phase 2: \$4 million for renovation costs including offices, general facility, facade improvements and \$1 million for personal property including furniture and fixtures. Completion expected by 1st quarter 2015.

Phase 3: \$2.5 million for renovation costs including offices, general facility, and labs and \$1 million for personal property including furniture and research & development equipment. Completion expected by 3rd quarter 2015.

The Project would result in the retention of 414 full-time jobs, 394 jobs currently in Braintree; 274 jobs at owned facility, 120 jobs at the two leased facilities and 20 jobs to be relocated from Stoughton and the creation of 125 new, permanent full-time jobs within a five-year period. The jobs will require a blend of talents and will include many high-skilled positions.

V. Financing for STA Zone Projects

Financing is in place for this proposed project.

VI. Special Tax Assessment

STA Authorization is expected to be obtained by vote of Town Council. Please refer to STA Agreement for exemption schedule.

VII. Approval of STA Projects

Businesses seeking EDIP Incentives within the proposed EOA will be required to submit a proposal to the Braintree Mayor. The Mayor shall review proposal with the project proponent for property tax relief and provide a recommendation to the Town Council. The Town Council has the final local approval. The project is presented to the state's Economic Assistance Coordinating Council for final approval.

The Massachusetts Economic Development Incentive Program

APPLICATION FOR DESIGNATION OF ECONOMIC OPPORTUNITY AREA

DRAFT

PART A: Applicant Information

1. Please check one:

 X This is an application for designation of a new EOA within a previously approved ETA.

2. Community submitting this application:

Town of Braintree

Name of proposed EOA: 400 Wood Road

PART B: MANDATORY REQUIREMENTS FOR THE PROPOSED EOA

1. Location of Proposed EOA:

Provide a detailed map of each proposed EOA, indicating the existing streets, highways, waterways, natural boundaries, and other physical features, along with a legally binding written description of the EOA boundaries (with parcel numbers if appropriate).

A copy of Assessor's Map 2053C Lot 1F illustrating the boundaries of the Wood Road EOA is attached.

2. Description of EOA(s):

Describe why each proposed EOA was chosen for designation. Include a brief, descriptive narrative of each area, which helps to explain the particular situations, issues, or reasons why EOA designation is requested.

The proposed EOA consists of an estimated 180,000 square foot building currently owned and occupied by Haemonetics Corporation (Alternatively "Haemonetics" or the "Company"). The Company has proposed plans to renovate this building to accommodate a proposed technology center for research and development to meet growing customer demands (the "Project").

The total Project investment is estimated at \$10 million, including \$7.4 million for building improvements and \$2.6 million for personal property. Haemonetics plans to retain 414 full-time jobs, 394 jobs currently in Braintree; 274 jobs at owned facility, 120 jobs at the two leased facilities and 20 jobs to be relocated from Stoughton and create 125

new, permanent full-time jobs within a five-year period. The jobs will require a blend of talents and will include many high-skilled positions.

The proposed EOA has been targeted because it meets the definition of a "decadent area". The property, constructed in 1974 requires substantial building upgrades in order to meet the company's business requirements for a proposed research and development technology center. The factor that makes this site eligible for EOA designation is because of a substantial change in business conditions.

- 3. Basis for EOA Designation:** Check the applicable category or categories (see definitions in attachment at back of application) for each proposed EOA:

The area proposed for designation as an EOA is a "blighted open area."

The area proposed for designation as an EOA is a "decadent area."

The area proposed for designation as an EOA is a "substandard area."

The area proposed for designation as an EOA has experienced a plant closing or permanent layoffs resulting in a cumulative job loss of 2,000 or more full-time employees within the four years prior to the date of filing this application.

- 4. Effective Time Period for EOA Designation:** How long do you propose to maintain the EOA designation? The EOA designation may remain in effect for a minimum of five (5) years and a maximum of twenty (20) years.

The Economic Opportunity Area designation will be effective for a period of five (5) years.

- 5. Local Criteria for Designation of EOAs:** Describe how each proposed EOA meets your criteria for designation of EOAs, as specified in your application for designation of the ETA.

The Town of Braintree has identified the area for designation as the 400 Wood Road EOA. The area identified meets the requirements for designation as an EOA as described in the Quincy Area ETA application amendment.

- **Promotes effective reuse of obsolete industrial buildings**
- **Facilitates reduction of commercial or industrial vacancies**
- **Encourages development of vacant or underutilized commercially or industrially zoned areas.**
- **Encourages the development or expansion of businesses which will improve the economic viability of other businesses within the EOA and the other municipalities within the ETA.**

- 6. Economic Development Goals:** Describe the economic development goals for each proposed EOA during the first five years of EOA designation.

The EOA addresses all of the economic development goals of the ETA.

- **Promote the continuation of economic development through identification of quality commercial enterprise in order to encourage relocation to the area;**
- **Identify and take advantage of new revenue sources through new commercial development;**
- **Stabilize the tax burdens on the current property tax base population;**
- **The utilization of construction phasing as a method of increasing the employment opportunities;**
- **Utilize the existing workforce to supply support and services; and**
- **Recognize economic development opportunities within the community.**

7. **Local Services:** Describe the manner and extent to which the municipality intends to provide for an increase in the efficiency of the delivery of local services within the proposed EOA(s) (i.e. streamlining permit application and approval procedures, increasing the level of services to meet new demand, changing management structure for service delivery).

The level of public services within the EOA is adequate to meet the needs of the development proposed in the EOA.

8. **Compliance with Community Reinvestment Act:** Include a copy of a municipal plan or policy, if any exists, which links the municipality's choice of banking institutions to the bank's compliance with the requirements of the Community Reinvestment Act.

The Town of Braintree does not have a policy regarding the Community Reinvestment Act.

9. **Project Approval:**

(a) Identify the municipal official or group/board, which shall be authorized to review project proposals for and on behalf of the municipality.

The Mayor of Braintree will review project proposals and provide recommendation of the project proposal to the Town Council.

(b) Indicate the standards and procedures for review of project proposals, including the application procedures, the timeframe for review and determination, and the criteria and process for approval of project proposals. If you intend to use supplemental application material (i.e. municipal cover letter with instructions, job commitment signoff sheet, supplemental questions to be required by the municipality, etc.), it must be mentioned here and must be approved by the Economic Assistance Coordinating Council (EACC). Please attach (if appropriate).

Businesses seeking EDIP Incentives within the proposed EOA will be required to submit a proposal to the Braintree Mayor. The Mayor shall review proposal with the project proponent for property tax relief and provide a recommendation to the Town Council.

The Town Council has the final local approval. The project is presented to the state's Economic Assistance Coordinating Council for final approval.

10. Intent of Businesses to Locate in EOA:

Identify the names and the nature of businesses, if any, which have indicated an intention to locate or expand in the proposed EOA(s). If possible, include letters of intent from the businesses, outlining the number of jobs that would likely be created and providing a timetable for development of the projects.

Haemonetics, founded in 1971, is a global healthcare company headquartered in Braintree, Massachusetts. In its earlier years, Haemonetics was a pioneer and market leader in developing and manufacturing medical devices which changed the way blood was collected and processed at plasma and blood collection centers, and in the surgical suite to protect patient safety.

Today, Haemonetics is the leader in blood management solutions. The Company operates 10 facilities throughout the world and markets its products in 90 countries. The Company is dedicated to advancing the safety, quality and availability of the world's blood supply while enhancing donor and patient care, improving healthcare delivery, and reducing costs. Haemonetics comprehensive portfolio of integrated medical devices, software, and consulting services offers blood management solutions for each facet of the blood supply chain, and helps to improve clinical outcomes and reduce costs for blood and plasma collectors, hospitals, and patients around the world.

Due to a growing demand for its innovative products and services, the Company has realized the need to accommodate a proposed technology center for research and development at its owned 180,000 square foot facility. The Company operates out of three buildings (one owned and two leased) in Braintree consisting of approximately 228,000 square feet. A real estate site search has been conducted and remaining and investing in Braintree has been identified as a viable option.

The total Project investment is estimated at \$10 million, including \$7.4 million in renovation costs consisting of lab and office space and general facility and façade improvements and \$2.6 million for personal property including furniture, fixtures and research and development computers and equipment. Should the project proceed it will consist of three phases as follows:

Phase 1: \$900,000 for renovation costs including offices and labs and \$600,000 for personal property including furniture and research & development equipment. Completion expected by 3rd quarter 2014.

Phase 2: \$4 million for renovation costs including offices, general facility, facade improvements and \$1 million for personal property including furniture and fixtures. Completion expected by 1st quarter 2015.

Phase 3: \$2.5 million for renovation costs including offices, general facility, and labs and \$1 million for personal property including furniture and research & development equipment. Completion expected by 3rd quarter 2015.

The Project would result in the retention of 414 full-time jobs, 394 jobs currently in Braintree; 274 jobs at owned facility, 120 jobs at the two leased facilities and 20 jobs to be relocated from Stoughton and the creation of 125 new, permanent full-time jobs within a five-year period. The jobs will require a blend of talents and will include many high-skilled positions.

PART C: SPECIAL REQUIREMENTS FOR LARGE MUNICIPALITIES

This section must be completed by any municipality or member of a regional ETA with a population that exceeds fifty thousand (50,000) people. The population threshold should be calculated based on the most recent statistics available from the U.S. Bureau of the Census.

1. Permit Streamlining:

(a) List each officer, board, commission or other decision-making authority in the municipality that issues permits, approvals, and licenses and indicate the type of permit, approval or license issued by each authority.

Local Permit Checklist:

- **Building**
- **Engineering**
- **Department of Public Works**
- **Board of Health**
- **Planning**
- **Conservation**
- **Zoning Board of Appeals**

(b) Provide a proposal and plan to streamline the municipality's permit, approval and license procedures. The plan should reduce the number of steps required to obtain approvals for new development. For example, the municipality could combine two separate application forms into one form, provide for joint review by two or more decision making authorities, and set firm deadlines for final decisions on permits, approvals, or licenses.

If the municipality has already implemented a plan to streamline the permit and approval process, describe that plan, indicating the strengths and weaknesses of the plan and provide a revised plan to improve upon the weaknesses.

The Town will utilize its existing site plan review process, which pulls all departments together through the Building Inspector's Office.

2. Municipal Services in Proposed EOAs:

(a) Provide an analysis of the existing infrastructure support and municipal services, including transportation access, water and sewer hook-ups, lighting, and fire and police protection to and for certified projects within the proposed EOA(s). Indicate if the existing level of services and infrastructure is adequate to support the anticipated development in the proposed EOA(s).

The proposed EOA is serviced by municipal services, all of which are adequate for this Project to proceed as proposed.

(b) Provide a proposal for meeting additional demand for municipal services and infrastructure improvement, including costs and funding sources available for these improvements.

No additional municipal services should be required for this project. The existing infrastructure is sufficient and the project location is well serviced by the Town.

3. Job Training Programs:

Describe the municipality's plans to secure access to publicly or privately sponsored training programs for employees of certified projects and for residents of the municipality/ETA.

The Town of Braintree participates in the programs of the regional Workforce Incentive Board and promotes these training programs for Braintree employers.

4. Local Community Involvement:

Describe the municipality's plans to increase the level of private sector involvement and the level of involvement by community development organizations in the economic revitalization of the area proposed for designation. For example, local involvement could include commitments from private persons to provide jobs and job training to residents or to employees who for certified projects in the proposed EOA(s).

The Braintree Chamber of Commerce and the South Shore Chamber of Commerce are local partners that promote business and economic development in Braintree. Together with the Town of Braintree, the Chambers have assisted the Town to attract and retain businesses to Braintree. These efforts will ensure that the Haemonetics EOA designation will benefit the residents of the regional ETA.

PART D: COMMITMENT TO PROVIDE LOCAL PROPERTY TAX RELIEF

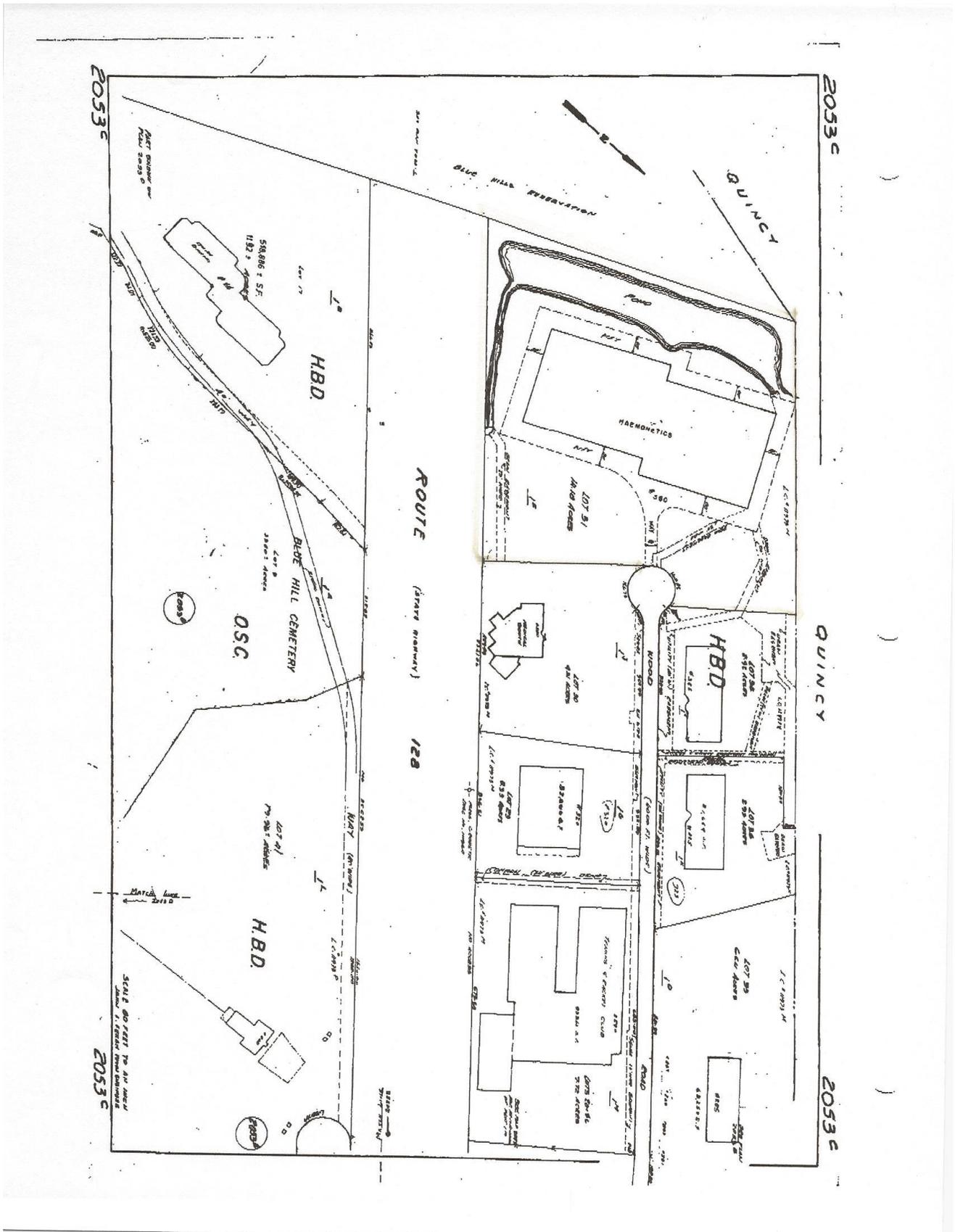
The municipality completing this application must provide a **binding written offer** to provide either tax increment financing or a special tax assessment to each certified project located within the proposed EOA(s).

Please attach a copy of the municipality's binding written offer.

- In cities, this shall be in the form of a City Council Order or Resolution, along with a Certified Vote by the City Clerk.
- In towns with Town Meeting form of government, this shall be in the form of a Town Meeting Motion, along with a Certified Vote by the Town Clerk.
- In towns with Town Council form of government, this shall be in the form of a Town Council Order or Resolution, along with a Certified Vote by the Town Clerk.

The Town of Braintree has offered a Special Tax Assessment (“STA”) to the Company. A copy of the STA Plan and Agreement are attached hereto.

**Attachment #1
Wood Road Assessor's Map**





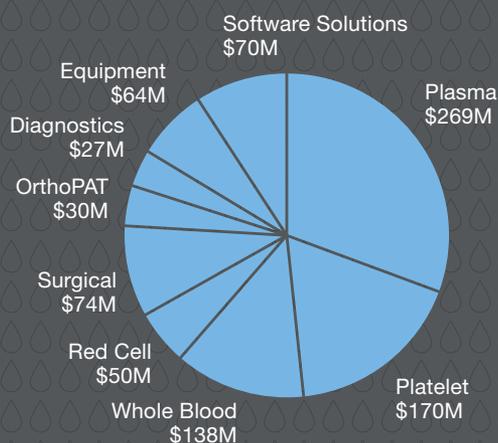
ANNUAL REPORT 2013



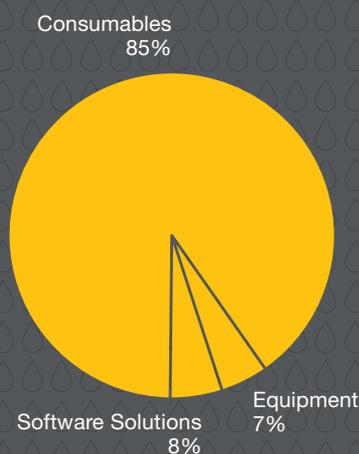
BLOOD MANAGEMENT SOLUTIONS

Executing our vision

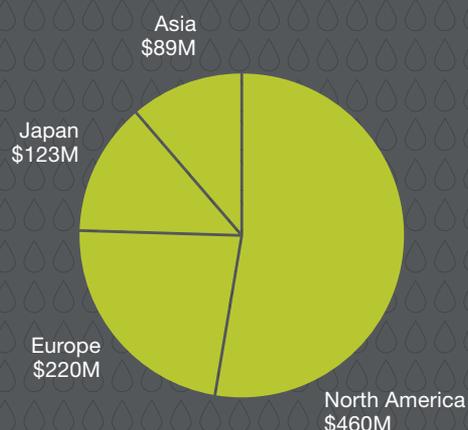
PRODUCT LINE DIVERSITY



RECURRING REVENUE STREAM



GEOGRAPHIC DIVERSITY



CONTENTS

- 01** Shareholder Letter
- 05** Financial Highlights
- 06** Our Blood Management Vision
- 08** Achieving Our Vision
- 10** Commercial Plasma Collectors
- 12** Blood Centers
- 14** Hospitals
- 16** Corporate Social Responsibility
- 18** Leadership & Investor Information
- 19** Form 10-K

back outside cover

Corporate Directory

COMPANY PROFILE

Haemonetics is *THE* Blood Management Company. Our comprehensive portfolio of integrated devices, information management, and consulting services offers blood management solutions for each facet of the blood management continuum. Collectively they help improve patient care, ensure patient safety, and reduce costs for blood and plasma collectors, hospitals, and patients around the world.

We believe that through proper blood management, our products and services can help our commercial plasma and blood center customers optimize their collection processes. We seek to help ensure a continual supply of high-quality plasma for biopharmaceuticals and blood components for therapeutic use at optimal costs, along with better blood management processes. Working with our hospital customers, we seek to prevent a blood transfusion to the patient who doesn't need one, or, if a transfusion is necessary, to ensure the transfusion of the right blood product, at the right time, in the right dose to the patient who does.

Since our 1971 inception, our expansion has included growing our blood collection business while optimizing blood use at the hospital. Autotransfusion, hemostasis diagnostics, and software to track blood use are among key enablers we added to our portfolio. Most recently, we added the whole blood collection products to our growing product portfolio.

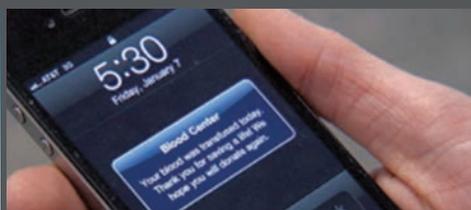
Our products and services represent an opportunity to pursue our mission of advancing the safety, quality, and availability of the world's blood supply, while improving patient care and lowering healthcare costs. Our far-reaching scale and resulting financial strength are key enablers of that pursuit. As healthcare systems around the world seek to ensure the best patient care at optimal costs, our blood management vision is ever-increasing in both its timeliness and relevance. This vision has reinforced our reputation and brand leadership in the transfusion industry.

We remain committed to evolving our devices, software, and services to anticipate, meet, and exceed the needs of our customers.



“

In fiscal 2013, we embraced the opportunity to secure organic and acquisitive growth, advance the capabilities of our organization and invest for the future. We realized this combination of achievements that often elude acquisitive companies.”



1

SHAREHOLDER LETTER

KEY PRODUCTS AND SERVICES

- Blood collection and separation technologies
- Surgical blood salvage systems
- Diagnostic products
- Software and information technology platforms
- Consulting services

COMPANY HIGHLIGHTS

- Haemonetics shares trade under the symbol “HAE” on the New York Stock Exchange
- Approximately 85% of our revenues come from single-use disposables
- Approximately 50% of our revenue is derived from North America; the balance is derived from Europe, Japan, and Asia

Few companies are able to complete and integrate a transformational acquisition while maintaining organic revenue growth across an existing product portfolio, but that is exactly what Haemonetics did in fiscal 2013. Our employees stayed focused and through their commitment and dedication, this was accomplished with no interruption to the high service levels our customers expect of us. We emerged from fiscal 2013 a much stronger company, both financially and strategically.

For the ninth time in ten years, we had double digit percentage growth in adjusted earnings per share. Revenue increased 23% with organic growth, excluding revenue from the acquisition of the Pall Transfusion Medicine business, up 4%. Adjusted earnings per share were \$1.71, up 13% and we generated \$70 million in free cash flow before funding \$45 million of cash restructuring and transformation costs. We completed a \$50 million share repurchase and a 2:1 stock split, and finished 2013 with \$179 million of cash on hand.

We advanced many of our capabilities over the past 10 years. In doing so, we evolved from a product provider to a valued business partner, offering solutions that deliver a meaningful value proposition to our customers. We developed or acquired many of the necessary products and services that helped to position Haemonetics as the global leader in blood management solutions. At the same time, we enhanced our Quality, R&D and Information Technology capabilities to world-class levels that can support our customers’ needs. In 2013, we added more critical products and services and, as a result, Haemonetics is a better company today than just one year ago.

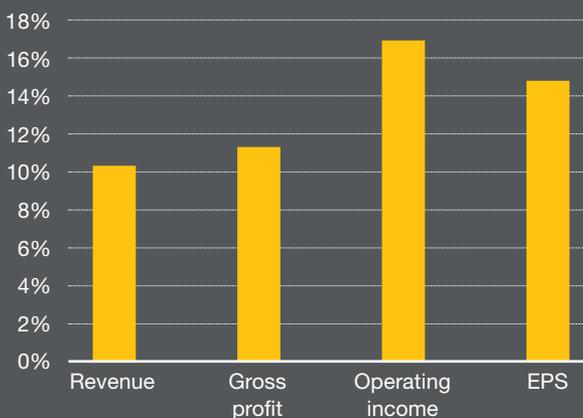
Fiscal 2013 organic growth was broad-based in all three product segments. Plasma finished with 4% growth and is well positioned with long-term contracts in place with major customers and ample capacity to serve their needs. Our Hospital business grew 8% with strength in surgical cell salvage, which benefited from continued success of our new Cell Saver® Elite®, and diagnostics which grew 18% marking the

Ten years of growth

STRONG OPERATING AND GROSS MARGIN GROWTH OVER 10 YEARS



10-YEAR COMPOUNDED ANNUAL GROWTH



Adjusted to exclude certain benefits and expenses

2 | 3

fifth straight year with double digit growth. Blood Center business grew 2% in a flat to declining market. We closed 43 new IMPACT[®] accounts, bringing our total to 301 as more customers seek the benefits of our Blood Management Solutions.

We are uniquely positioned to do for our customers what nobody else in our space can do today: collect data, turn that data into information, use that information to understand our customers' problems, and solve those problems by implementing effective blood management programs. In this way, we continue to work with our customers to transform our industry, becoming more relevant in the way they conduct business every day.

INVESTING IN ACQUISITIVE GROWTH

The Pall Transfusion Medicine acquisition completed in fiscal 2013 is strategic. It brings revenue in excess of \$200 million annually, but importantly it gives us a 15% market share in the \$1.2 billion whole blood collection market. This is a meaningful presence as we launch our Automated Whole Blood Collection product in a three-year phased launch that began late in fiscal 2013. These innovations will enhance the whole blood collection process, bringing process improvements to our customers that will be instrumental in lowering their whole blood collection costs and improving their ability to retain donors.

We purchased the assets of Hemerus Medical, LLC, completing that acquisition in early fiscal 2014. The FDA approved Hemerus' SOLX[®] solution for 8-hour storage of whole blood and the SOLX solution also received CE marking for use in the storage of red blood cells for up to 56 days, the only solution in the marketplace approved for storing red blood cells longer than 42 days.

Our plans include the pursuit of an additional FDA approval of the SOLX storage solution for 24-hour storage of whole blood prior to processing, and FDA qualification for use with the filter technology acquired in the whole blood acquisition. We believe that this new SOLX solution, combined with the benefits provided by our new Automated Whole Blood Collection product, will allow us to drive faster market penetration and accelerated market adoption of our entire whole blood automation product offering.



Over the last ten years, we have grown revenue at a compounded annual growth rate of 10% and adjusted earnings per share at 15% through the disciplined execution of a strategy focused on delivering the value of blood management solutions to customers.”

INVESTING IN ORGANIC GROWTH

While integrating the Pall acquisition, the largest in our company's 42-year history, our focus remains balanced and we also continue investing in strategic growth initiatives. These are areas that offer strong prospects for enhanced future growth.

The first is our Patient Blood Management offering, which continues to drive meaningful growth in our Hospital business, growing 8% in fiscal 2013. Disposables revenue was up 10% in surgical and 18% in diagnostics. The Cell Saver® Elite® is meeting all our expectations and our TEG® diagnostics business is benefiting from new surgical applications in an ever-expanding market. We are preparing to launch the OrthoPAT® advance™, our latest orthopedic cell salvage device designed with enhancements to meet key customer needs, using a new robust product introduction process that was instrumental in driving the Cell Saver Elite growth.

Over 14% of our revenue and 39% of our fiscal 2013 organic growth were realized in emerging markets, as these countries' health care capabilities are rapidly advancing. In China, rapid adoption of our Blood Management Solutions has driven a 24% compound annual growth rate in our revenue there over the last four years. We increased investments in human resources, expanding our employee base from 70 people to over 120 in the past year. These investments include legal and government relations resources, as well as new sales and marketing resources as our business grows. Our focus in China is helping us develop a replicable process that we will use in all BRIC countries, as well as other emerging markets in Eastern Europe and Latin America.

We installed 1,100 new TEG devices over the last two years, and our TEG disposables revenue grew 18% this fiscal year. This included 66% growth in China, where use of the TEG analyzer is being applied to interventional cardiology procedures. With new surgical and diagnostic applications, we now believe the market for this product is in the \$1-2 billion range, considerably greater than originally assessed. In order to continue to penetrate this expanding market, we increased investment levels for TEG clinical trials in fiscal 2013.

New product development efforts remain an area of investment focus, as we prepare for the launch of several exciting new products:

- Our paperless phlebotomy offering, comprised of our software and accompanying handheld devices, received 510K approval early in fiscal 2014. This clears the way for a limited market release with additional identified blood center customers, bringing paperless phlebotomy solutions for the automation of data capture and management to the point of donation at fixed sites. This will be followed by a communications tower that will enable paperless collections on mobile drives.
- We will be seeking FDA approval to use two acquired products together: the SOLX solution with the Pall® filter. Anticipating the completion of this acquisition, we began investing in the requisite R&D work in fiscal 2013.
- Our OrthoPAT advance device received 510K approval in fiscal 2013 and is on track for full market release at the end of the first half of fiscal 2014.

By funding these types of initiatives, we expect to accelerate our growth to levels consistent with our stated aspirational growth goals and to generate incremental cash flow that we will invest in automation, new products and growth opportunities during our 5-year planning horizon.

POSITIONED FOR CONTINUED GROWTH

Today 75% of our *commercial plasma* business is under long-term contracts with major customers through the third quarter of fiscal 2017 and over 98% through the third quarter of fiscal 2015. We and our customers can plan for and accommodate the growth in demand that is occurring and expected to continue in the plasma collection market. We have ample capacity and the capability to expand quickly as needed.



We firmly believe that the initiatives outlined... will solidify the foundation of our business and position us for continued growth. This is why we can say with confidence that we believe our best years still lie ahead of us.”



Our IMPACT® sales process continues to demonstrate the economic and clinical benefits our **hospital** customers seek by implementing effective patient blood management. In addition to the anticipated OrthoPAT® advance™ device launch, we can leverage the expanding demand we see for TEC® analytical devices and Cell Saver® Elite®. Our sales force can offer a full array of products to an expanding base of hospitals seeking to address their cost pressures.

For our **blood center** customers, we are moving forward with a revolutionary combination of differentiation and automation to help them achieve higher blood collection yields and lower cost per unit collected. This combination features our full paperless phlebotomy offering, SOLX® solution with the acquired Pall filters and our automated whole blood collector in fiscal 2015.

INTEGRATION AND VALUE CREATION & CAPTURE

The integration of the whole blood business was managed using 17 cross-functional teams formed to drive effective integration rapidly and efficiently. Key to success was a governance structure that provided continual close corporate and operational oversight. The result was an integration that achieved its objectives ahead of schedule with no customer business interruptions.

At the same time, we began to examine the cost structure of the business. This was intended to be proactive and identify opportunities to position our Company for optimal growth and competitiveness. To manage this process, we similarly organized ten Value Creation and Capture, or “VCC”, teams operating under the same governance structure as the integration.

We will embark upon a multi-year transformation of our manufacturing network over the next three years. We will discontinue manufacturing activities in Braintree, Massachusetts and create a technology center of excellence for new product development, bringing together the scientists and engineers who will develop our next generation of products. We will expand our facility in Tijuana, Mexico and build a new manufacturing facility in Asia, close to our growing customer base in that region, thereby providing a competitive cost structure that represents foundational elements of a long term regional manufacturing strategy.

Additionally, these VCC teams will pursue identified opportunities to extend product lines, introduce next generation products, launch new growth platforms and enhance our commercial capabilities by implementing go-to-market changes and other strategies. We will approach our customers with a unified commercial team that will leverage the power of aligning our software with our products and services to best meet our customers’ blood management needs. We expect to achieve market growth and share gains from new growth platforms and commercial excellence capabilities that will result.

We will invest \$11 million to complete the integration of the whole blood business and the assets of Hemerus. We also plan to invest \$36 million in additional capital expenditures and \$41 million in transformation expenditures for our VCC initiatives in fiscal 2014. We expect the eventual full implementation of our VCC strategies to generate approximately \$35-\$40 million of annual cost savings by fiscal 2018. Our ability to maintain our current business and drive growth going forward will be enhanced by these changes. These changes are difficult, but necessary in today’s competitive environment.

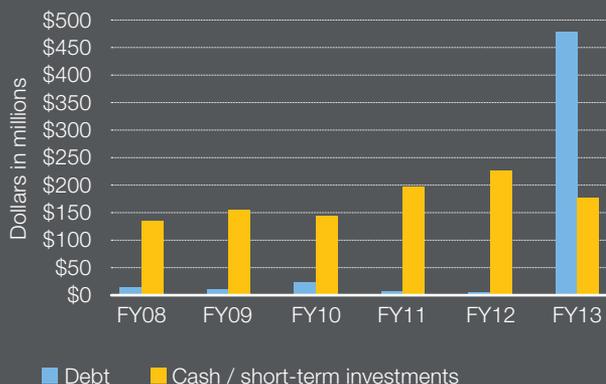
OUR BLOOD MANAGEMENT VISION IS WORKING

Originated in our Plasma business, our vision is based on providing customers with solutions to better run their business by implementing changes which optimize operations. Our success rests on understanding our customers’ business challenges and addressing those challenges with customized solutions using software, services, and devices and disposables in combination.

We are doing the same for blood center and hospital customers in a more complex environment, seeking to help reduce costs, enhance patient safety, and improve patient care. Plasma customers are seeing improved collection yields at lower costs, and we anticipate that we will deliver the same benefits to our blood center customers. Hospital customers are realizing the benefits that Patient Blood Management can bring, both in lower costs and improved clinical care of the patients they serve.

Financial highlights

STRONG BALANCE SHEET FUNDS GROWTH



RESTRUCTURING AND TRANSFORMATION INCREASE CASH FLOW



Adjusted to exclude certain benefits and expenses

We will continue to innovate, with advancements underway to improve our Plasma and Platelet platforms. The Whole Blood and SOLX[®] acquisitions bring new products and technologies that enhance Haemonetics' position as the leader in blood management solutions for our customers.

Our revenue growth rate is expected to accelerate as we bring differentiation and automation into the whole blood market. Our VCC initiatives will drive improved profitability, and position our company for growth. Over the next five years, we expect average annual growth in adjusted earnings per share to exceed 15%. This means exciting increases in cash generation from operations, cash that will provide flexibility to repay our debt and pursue additional growth opportunities via acquisition.

Over the last ten years, we have grown revenue at a compounded annual growth rate of 10%, adjusted operating income at 17%, and adjusted earnings per share at 15%, through the disciplined execution of a strategy focused on delivering the value of blood management solutions to our customers. This performance drove stock price appreciation at a compounded annual growth rate of 18% over that same period. We firmly believe that the initiatives outlined above will solidify the foundation of our business and position us for continued growth. This is why we can say with confidence that we believe our best years still lie ahead of us.

Sincerely,

Brian P. Concannon
President & CEO

Richard J. Meelia
Chairman

May 2013

Leading the way in blood management solutions globally

From the arm of the donor to the arm of the patient, each and every point along the blood management continuum is essential.



6 | 7

▣ Ensuring that the right blood product gets to the right patient at the right time in the right dose—whether in the form of a plasma-derived pharmaceutical, a patient’s own salvaged blood components, or a life-saving transfusion—is a complex process that necessitates the orchestration of many key elements, including:

- Availability of donors
- Efficiently run blood centers and mobile drives
- Well-organized transportation, storage, and inventory management
- Expert matching of blood types
- Accurate patient distribution

Missteps in this intricate blood management process are expensive and place the patient whose life depends on that blood or blood product at risk. That’s why expert blood management solutions are so critical and timely in an age of cost pressures and process optimization.

Providing blood management solutions that connect and support all participants along the blood management continuum is what Haemonetics does best. As the global leader in blood management, no one understands better than we do that there is significant benefit to having access to actionable information. We see clearly that integrated technology platforms, data-driven analysis, and strategic consulting can be leveraged to improve patient outcomes, enhance safety and reliability, increase efficiency and yield, and lower costs for our plasma, blood center, and hospital customers.

We have comprehensive solutions for each facet of the blood management continuum. Since we opened our doors 42 years ago, we have continued to expand our offering through internal product development and strategic acquisitions. By evolving and refining our industry-leading portfolio of devices, software, and services we have been able to anticipate, meet, and exceed the needs of our customers in the key markets in which we do business.

Prime examples of our commitment include the investments we’ve made in the development of our Cell Saver® Elite® cell salvage device—our latest autotransfusion system—expansion of our capabilities and leadership positions in emerging markets, and the recent acquisition of blood collection and leading quality filtration product lines of the Pall Transfusion Medicine Business, which provided us with an immediate 15% share in the key whole blood market segment in which we previously had no presence.

Services

IMPACT & Value Stream Mapping

Data and Insight to Drive Efficiencies Across the Blood Supply Chain

IMPACT Online

Blood Management Intelligence Tool

Patient Blood Management Education

Devices

OrthoPAT advance

Perioperative Autotransfusion

Cell Saver Elite

Autotransfusion

TEG

Diagnostic Analyzer

Software

SafeTrace Tx

Transfusion Management

BloodTrack

Remote Inventory and Bedside Management

Surround

Laboratory Management

Software

DMS Software

Plasma Collection
Donor Management

Hemasphere

Mobile Blood Drive
Scheduling

eDonor

Donor Recruitment

Donor Doc

Donor Health History

EIDorado Donor

Blood Management System

Paperless Phlebotomy

Data Collection

Devices

PCS2

Plasma Collection

MCS+

Multicomponent Collection

Whole Blood Technologies

Manual Collection Kits

Acrodose

Pooled, Transfusion-ready Platelets

Wireless Data Automation

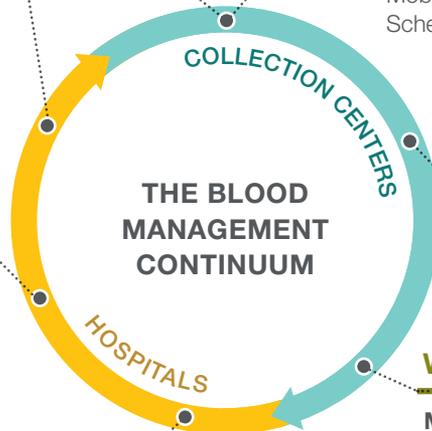
FY13-14

Hemerus SOLX

FY14

Automated Whole Blood Collector

FY15



Haemonetics is a visionary with a long track record of innovation and leadership. As we look to the future, we remain more committed than ever to further advancing and refining our suite of blood management solutions for our customers around the world. We have transformed our company, the first step in transforming our industry.”

BRIAN CONCANNON | *President and CEO*

As the need for blood management solutions continues to grow around the world, Haemonetics offers the most robust portfolio of products available in the industry today. Our solutions, which can be tailored to individual and local markets, address the challenges our global customers are facing with the demand and supply of blood and plasma, including a fragmented supply chain, shrinking donor pools, expanding cost pressures, competition, and increasing regulatory requirements.

We are proud of our success, but there is still important work to be done. To maintain our competitive advantage and grow our business globally, we must replicate our successes in the whole blood market. At the same time, we must deepen and broaden our three core businesses around the world by continually striving to understand what our customers care most about, searching for new ways to expand our portfolio, and anticipating future industry trends.

Executing our global growth initiatives

To advance our global vision, we will continue deploying our blood management solutions around the world to help streamline a fragmented blood management continuum.

♦ As *THE* Blood Management Company, we remain committed to understanding our customers' ever-changing needs on a region-by-region basis, as well as how they are implementing our solutions to transform and improve their practice of blood management.

Having this knowledge enables us to advance our understanding and mission around blood management with comprehensive solutions designed to help our customers:

- Improve the donor experience
- Enable workflow efficiency and greater donation yields
- Lower the cost-per-unit collected
- Facilitate regulatory compliance
- Eliminate waste
- Enable better clinical results
- Lower costs of service to patients

We will enhance our portfolio of blood management solutions and broaden our global reach by focusing on four key growth initiatives:

building our automated whole blood collection program; expanding our presence in emerging markets such as China, Russia, India, and Brazil; sustaining our momentum with the success of our global plasma business; and increasing the penetration of our blood management solutions in the hospital market.

We accelerated our automated whole blood program with the completion of the acquisition of the Pall Transfusion Medicine business in August 2012, our largest acquisition to date. This provided us with an immediate 15% market share in the \$1.2 billion whole blood collection market, the one segment of the blood collection market that Haemonetics was not in previously. The addition of Hemerus Medical in April 2013 complemented our offering with new red blood storage technology. The suite of whole blood products we added to our offering also includes vertical integration of filtration and complements the in-house product developments we plan to deliver for whole blood automation in three phases, beginning with the wireless data automation in fiscal 2013/2014.

“

As the need for blood management solutions continues to increase around the world, we remain focused on delivering customized products and services to our customers on a region-by-region basis that support our customers’ efforts to improve patient care and reduce costs.”

MICHAEL KELLY | *President, Global Markets*



Global Training Director provides clinical education in Southeast Asia in March 2013.



Leading physicians from China visit Haemonetics in Braintree in July 2012.

We plan to continue expanding our presence in emerging markets where we have experienced double-digit growth for the last three years, specifically in China with the use of our TEG® system. Leading cardiologists continue to integrate it into their clinical practices and experience cost savings and improved patient care in a country with blood supply shortages. We see significant opportunities to not only broaden our reach in China with the TEG and Cell Saver® Elite®, but also expand into other emerging markets, such as Russia, India, and Brazil, where the need for our solutions is becoming more evident.

We will continue driving our blood management solutions in hospitals with an increasing focus on delivering real and meaningful economic solutions to our customers. One of the ways we are achieving this is through our IMPACT® program, which helps customers quantify spending on blood products and identify efficiencies that can be gained in their blood management programs. We will also continue to drive growth of our end-to-end hospital solutions including data gathering tools such as IMPACT Online, as well as our autotransfusion devices and diagnostic tools to optimize blood component use and our inventory and transfusion tracking software.

Let’s explore how our blood management solutions vision is reflected in each of our three businesses...

Improving operational efficiencies

Haemonetics helps plasma fractionators and collectors around the world meet the ever-increasing need for plasma-derived bio-pharmaceuticals with a comprehensive suite of products and services that covers the entire plasma management continuum. Helping our customers collect with confidence, improve their operational efficiencies, and decrease costs is a top priority at Haemonetics.

10 | 11

Our full-service collection solutions for the global plasma community—from our automated supply chain management system, to our suite of software products, to our device and disposables innovations—are designed to support multiple facets of our customers' operations.

Through our ongoing investments and customer focus, our products and services have created efficiencies for our customers that have strengthened our market leadership, particularly in North America where two-thirds of all plasma for fractionation is collected. Our commitments are proving successful.

Our global plasma business continues to steadily grow, and we plan to sustain that momentum by creating new innovations and an automated supply chain model that reduces costs and inefficiencies. With long-term supply agreements in place with customers and 98% of business under contract through third quarter of FY15, we plan to continue making investments in support of long-term growth.

Looking ahead, we will:

- Continue building on our momentum, staying ahead of a changing industry with increased capacity to meet the growing fractionation volume of our customers
- Provide new solutions to reduce the cost-per-liter collected
- Fortify our ongoing dual production resources—our Pittsburgh and Salt Lake City facilities—to ensure business continuity for our customers

As always we remain committed to working with our customers to find ways to innovate, solve existing problems, and improve their processes.





SOLUTIONS FOR COMMERCIAL PLASMA COLLECTORS

Increased Capacity to Meet Growing Collection Demand

To meet the growing fractionation volume of our customers, we have increased our capacity, and also have backup production resources in place to ensure business continuity.

Plasma Center Optimization

To help customers streamline their operational efficiencies, we work closely with them to help assess their operations and recommend improvements where needed. With the recent expansion of several plasma centers, our experience and expertise in business consulting has proven to be a value-added service to our customers.

Research and Development in Filter Technology

Our research and development teams will pursue innovation in order to advance filter technologies, including assessing and applying the Pall® Medical filters we recently acquired.

Advancements in Paperless, Web-Based Customer Support Activities

Our automated supply chain management system is designed to help customers reduce costs, improve processes, and provide a “greener” solution. From eKanban to eASN to online web certifications, our system provides the end-to-end spectrum of process automation.

Next Generation Software

Our suite of software solutions, a key differentiator of our offering, provides solutions to help the plasma supply chain from donor recruitment (eDonor) to ePhlebotomy (Donor Doc) to our next generation Donor Management System currently in development.

“

We continue to be the global partner of choice because our customers trust us to deliver solutions that address the things that matter most to them: donor comfort and safety, a reliable supply chain, customer support through training and process improvements, as well as delivering innovative solutions for the future.”

PETER ALLEN | *President, Global Plasma*

SERVING THE GLOBAL PLASMA INDUSTRY

Haemonetics serves the source plasma and plasma protein therapeutics industry worldwide with technologies to effectively and efficiently collect plasma.

- Australian Red Cross Blood Services
- Baxter International Inc.
- CSL Plasma
- DCI Management Group, LLC
- German Red Cross (several regions)
- Grifols
- Kedrion
- Octapharma Plasma
- The Japan Red Cross

Optimizing costs and adding value

Collecting blood products in the safest manner possible was historically the main goal of blood centers as the start of the blood management continuum. With recent emphasis on health care reform, cost efficiency has increasingly become a key focal point in the United States. Blood centers are continually faced with fluctuating red cell demand and increased cost pressures from hospitals on cost-per-unit collected due to improved blood management at hospitals and sourcing of blood from wider geographies.

12 | 13

Other parts of the world are faced with additional challenges, such as the government control of blood collection in many countries and blood shortages in emerging markets. Despite these challenges, one thing remains clear: our customers want to produce a high-quality product safely, at optimal cost, and with no disruptions.

We are responding to these challenges with a full-range of solutions for optimal blood collection, including consulting services and products that focus on collection, cost optimization, and safety. These include our MCS® (Multicomponent Collection System) apheresis equipment that separates whole blood into its components at the time of donation; our comprehensive suite of software systems designed to streamline the donation process and create operational efficiencies; and IMPACT® consulting services which focus on collection and cost optimization.

The acquisition of Pall's blood collection, processing, and filtration lines provided us with a direct and significant commercial presence in whole blood collections. And the addition of Hemerus Medical in April 2013, complements our offering with new red blood storage technology that has the potential to differentiate our consumables offering



in the marketplace. Our industry-leading portfolio now includes the full spectrum of manual whole blood collection and processing technology, such as our Acrodose System for pre-storage pooling of whole blood-derived platelets.

Today, for the first time, blood center customers can purchase all of their blood collection products from one supplier—Haemonetics—that is exclusively focused on partnering with them to:

- Improve the donor experience
- Reduce collection costs
- Increase blood product quality for their hospital customers

We remain committed to fortifying our suite of blood management solutions to meet the evolving needs of our blood center customers.

SOLUTIONS FOR BLOOD CENTERS

MCS® Apheresis

Haemonetics pioneered this technology, which separates whole blood into useable components at the time of donation.

Acrodose™ Systems

This is our total solution for the pre-storage pooling of whole blood-derived platelets.

Donor Recruitment and Collection Management Software

Our range of software solutions help blood centers manage their blood collections and improve efficiency (eDorado Donor), as well as assist with managing, measuring, recruiting, and organizing efficient blood drives in real time (Hemasphere and eDonor).

IMPACT® Consulting

We work very closely with our customers to determine ways to automate and optimize their collections and develop cost strategies to help them improve their operational efficiencies, as well as adding more value to their hospital customer relationships.

For In Vitro Diagnostic Use
158400032
Reorder No: 400-03
2008-12
LOT 0754125 (11N)
11N0754125



Our blood management solutions are gaining traction as our customers see that our combination of automated devices, information systems, and consulting services are helping them achieve more operational efficiency, easier regulatory compliance, consistent quality, and lower cost-per-unit collected.

BYRON SELMAN | *President, North America*

TRANSFORMING WHOLE BLOOD COLLECTIONS

- FY13/14 – Wireless data automation package
- FY14 – SOLX® storage solution
- FY15 – Automated whole blood collector

The benefits to our blood center customers include: improved donor retention, lower costs, higher yields, increased efficiency, and better regulatory compliance.



Improving patient care while decreasing costs

Our blood management vision transforms blood management effectiveness along the entire continuum including blood use practices within the hospital to improve patient care and decrease costs. Haemonetics is leading the way in driving patient blood management for hospitals around the world by supporting our customers' efforts to reduce unnecessary transfusions, which leads to lower costs and improved patient care.



■ To support these efforts, we offer an industry-leading portfolio of devices and services. This includes our Cell Saver® and OrthoPAT® autotransfusion systems that deliver patients their own high-quality, fresh red blood cells during and after surgery, reducing the need for transfusions. It also includes the TEG® device, our diagnostic instrument that helps to reduce unnecessary blood component transfusions.

The glue that holds it all together is our comprehensive blood management business intelligence portal, IMPACT® Online (IOL), which uses a hospital's own data to track blood use and optimize blood management. IOL is growing significantly in North America, with data based on approximately 5.5 million procedures and 3 million patient records.

We have made significant investments toward growing our blood management solutions in hospitals globally. These include:

- Upgrades to our technology platforms
- Ongoing research and development
- Expansion of our capabilities in emerging markets, including significant investments in our Chinese sales and marketing teams to support our growth
- Implementation of a new solutions-based sales approach that sells solutions to customers versus our former model of selling devices

We plan to continue expanding our offering to provide ever increasing value to our hospital customers.

SOLUTIONS FOR HOSPITALS

TEG® Diagnostic Analyzer

Helps deliver more targeted treatment by providing comprehensive whole blood hemostasis testing to assess bleeding and thrombotic risks, and also monitor antithrombotic therapies.

Autotransfusion Systems

- **Cell Saver Elite®** – Helps avoid unnecessary allogeneic transfusions and returns fresh, high-quality blood. Patients receive the freshest, perfectly-matched blood—their own.
- **OrthoPAT®** – Collects, washes, and returns patients' blood during and after orthopedic surgery helping to give them the best chance at avoiding unnecessary allogeneic transfusions and related risks of infection.

IMPACT® Online Intelligence Portal

Helps hospitals track their blood use and subsequent clinical outcomes, encouraging the development of best practices and optimal blood management.

Transfusion Management

- **SafeTrace Tx® Software** – Helps hospital blood banks and donor center transfusion services efficiently select the most appropriate blood products, and track those products from their origin to the intended patient.
- **BloodTrack® Suite** – A remote inventory and bedside transfusion management solution that enables hospitals and regional donor centers to electronically secure, verify, and monitor their blood supply chain from the blood bank to the patient's bedside.

Filtration and Transfusion

We offer a range of high-efficiency leukoreduction filters for the hospital that provide the flexibility of leukoreduction by filtration at the patient's bedside or in the hospital laboratory, as well as high flow blood filters to remove microaggregate and component particulate matter, and filters for salvaged blood.



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14 | 15

Our blood management solutions are delivering demonstrable improvements in economic and patient care for our hospital customers globally, and we are committed to building on our success.

JV WULF | *President, Europe*

INTRODUCING THE ORTHOPAT ADVANCE

Haemonetics recently received clearance from the FDA on our OrthoPAT® advance™ System, marking a significant milestone in our journey to bring the next generation OrthoPAT device to market. With improved performance and user-friendliness, the device will help Haemonetics maintain and ultimately grow our business worldwide. Limited market release of the device is scheduled in the US for the first half of FY14 with global rollouts to follow.

CORPORATE SOCIAL RESPONSIBILITY THE FOUNDATION OF OUR MISSION AND CULTURE



At Haemonetics, we are committed to acting in the best interests of our customers, employees, communities, and shareholders around the world. Our mission as *THE* Global Leader in Blood Management Solutions is to streamline the efficiency of the blood management continuum, which includes improving global blood management practices while sustaining a culture of ethical behavior, quality leadership, and continuous improvement.”

Brian Concannon | *President & CEO*

16 | 17



GLOBAL GIVING

Philanthropy has long been a key element of our business philosophy at Haemonetics, and our employees are characterized by their caring and respect for other people. We focus our “giving” on healthcare interests and groups serving our business communities, as well as natural disasters. We feel that our business leaders are best positioned to understand the needs of their local communities; therefore, we entrust them with the selection process for individual charitable activities. We also match our employees’ charitable contributions to maximize the total effort. Two examples include: our sponsorship of Club25® International, a youth-oriented global social club for young people committed to saving lives by regularly donating blood, and the Medtech Veterans Program (MVP), a program that benefits returning military veterans who are interested in careers at medical device and diagnostic companies.

HAEMONETICS SUPPORTS HURRICANE SANDY RELIEF EFFORTS

Hurricane Sandy caused significant damage to the Atlantic seaboard impacting millions of families from the Caribbean to the northeastern part of the United States. During this time, Haemonetics pledged its commitment to do everything possible to support local relief efforts through the crisis. In addition to a corporate donation of \$50,000 to the American Red Cross in November, we established the Hurricane Sandy Relief Fund with a 2:1 company match of employees’ contributions.

- **One example:** Our employees around the world donated a total of \$12,116 to the Hurricane Sandy Relief Fund. As promised, we matched the amount 2:1 which, combined with the corporate donation, brought this collection effort to \$86,348 for Hurricane Sandy relief organizations.





ENVIRONMENT

Reducing our carbon footprint and conserving resources is a clear focus at Haemonetics. Our ongoing efforts to preserve our environment deliver many added benefits above and beyond doing what is right, including improved quality in our products and services and reduced costs across our business lines. We are continually working to incorporate mainstream “green” initiatives into our operations, and we develop products and services that help our customers do the same. We are committed to investing time and effort in areas where we can make a meaningful contribution over time.

GOVERNANCE AND ETHICS

Operating to the highest standards of corporate governance is a top priority, and we continue to receive high marks for our governance. As shareholders continue to look to “safe haven” companies in which to invest, they recognize the strength of Haemonetics’ governance standards, and we do not take this loyalty for granted. We continually strive to maintain our standards, which include measuring our practices against peers and other publicly traded companies on a regular basis.

SUSTAINABLE GROWTH INITIATIVES AT OUR MANUFACTURING FACILITY IN FAJARDO, PUERTO RICO

Our newly acquired whole blood manufacturing facility in Fajardo, Puerto Rico is firmly committed to achieving a healthier environment by promoting sustainable growth with continuous improvement projects and initiatives aimed at reducing the site’s product carbon footprint, including water, gas, and energy consumption.

- **One example:** Increased awareness of, and commitment to, waste differentiation, as well as the introduction of dedicated waste compactors.



EMPLOYEE RELATIONS

Our employees are our most valued asset, and the foundation of our success. That’s why we are dedicated to providing a safe, respectful work environment that embraces diversity, fosters growth and leadership development, and recognizes the unique strength of our employees around the globe. We offer a range of competitive benefits including non-traditional work arrangements like telecommuting—of which we were an early adopter—and an on-site child care program at our corporate headquarters in Braintree which was championed by Lisa Lopez.



THE LISA LOPEZ LEADERSHIP AWARD

In 2011, we established the Lisa Lopez Leadership Award in recognition of the outstanding leadership, loyalty, and dedication exhibited by Lisa Lopez—our recently retired Vice President of Corporate Affairs—during her distinguished 23 year career at Haemonetics. This \$5,000 award is provided annually to a rising leader in the company who exemplifies the values instilled by Ms. Lopez during her tenure at Haemonetics, and who has also identified a developmental investment anywhere in the world that can accelerate his or her progress as a leader.

- **Our 2012 winner** was an employee from Bothwell, Scotland, Jacqui Brownlie, a manufacturing process engineer (at far right in photo). Jacqui participated in a 10-day program in northern Kenya through Africa Matters where she worked tirelessly with local Kenyan business and community leaders and other global participants to address real-world economic, social, and environmental issues confronting their communities.

LEADERSHIP

BOARD OF DIRECTORS

Lawrence Best

Chairman, OXO Capital LLC
Formerly Executive Vice President
and Chief Financial Officer, Boston
Scientific

Paul Black

Chief Executive Officer, AllScripts

Brian Concannon

President and Chief Executive Officer,
Haemonetics

Susan Bartlett Foote

Professor Emeritus, Division of Health
Policy and Management, School of
Public Health, University of Minnesota

Ronald Gelbman

Formerly Member of Executive
Committee and Worldwide Chairman
of the Health Systems and Diagnostics
Group, Johnson & Johnson

Pedro Granadillo

Formerly Senior Vice President, Eli Lilly

Mark Kroll, Ph.D.

Formerly Senior Vice President and
Chief Technology Officer of the Cardiac
Rhythm Management Division, St. Jude
Medical, Inc.

Richard Meelia

Chairman Board of Directors,
Haemonetics
Former Chairman & CEO, Covidien

Ronald Merriman

Formerly Vice Chairman, KPMG

Ellen Zane

CEO Emeritus & Vice Chairman Board
of Trustees, Tufts Medical Center &
Floating Hospital for Children

EXECUTIVE COUNCIL

Peter Allen

President, Global Plasma

David Helsel

Executive Vice President, Global
Manufacturing

Sandra Jesse

Chief Legal Officer

Michael Kelly

President, Global Markets

Christopher Lindop

CFO and Executive Vice President,
Business Development

Kathleen McDaniel

Executive Vice President, Human
Resources

Warren Nighan

Executive Vice President, Global
Quality and Regulatory Affairs

Dr. Jonathan White

Chief Science and Technology Officer

INVESTOR INFORMATION

Annual Meeting

The Annual Meeting of the Stockholders
will be held at 8am at The Marriott
Longwharf Hotel, Boston, MA, USA
on July 24, 2013.

Auditors

Ernst & Young LLP Boston, MA, USA

Investor Relations**Gerry Gould**

VP, Investor Relations
E-mail: investor@haemonetics.com
Phone: 781-356-9402

NYSE Certification

In 2012, Haemonetics submitted to the
New York Stock Exchange the required
annual CEO certification stating that
the CEO was not aware of any violation
by the Company of the NYSE corporate
governance listing standards.

Stock Listing

The Company's stock is traded on the
New York Stock Exchange under HAE.

Transfer Agent and Registrar

Inquiries concerning the transfer of
shares, lost stock certificates, duplicate
mailings or change of address should
be directed to:
Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016, USA
Phone: 800-368-5948
E-mail: info@rtco.com

Financial Measures

Included in this annual report are
certain non-GAAP measures. These are
reconciled with appropriate U.S. GAAP
amounts in the Company's earnings
press releases and on its website.

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

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 30, 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, Massachusetts 02184-9114

(Address of principal executive offices)

(781) 848-7100

(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

(Title of Each Class)	(Name of Exchange on Which Registered)
Common stock, \$.01 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this form 10-K.

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 the definitions 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 Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant (assuming for these purposes that all executive officers and directors are "affiliates" of the registrant) as of September 29, 2012, the last business day of the registrant's most recently completed second fiscal quarter was \$2,031,424,216 (based on the closing sale price of the registrant's common stock on that date as reported on the New York Stock Exchange).

The number of shares of \$0.01 par value common stock outstanding as of April 27, 2013 was 51,076,655.

Documents Incorporated By Reference

Portions of the definitive proxy statement for our Annual Meeting of Shareholders to be held on July 24, 2013 are incorporated by reference in Part III of this report.

TABLE OF CONTENTS

	Page Number
Item 1. <u>Business</u>	<u>1</u>
<u>Company Overview</u>	<u>1</u>
<u>Market and Products</u>	<u>1</u>
<u>Description of the Business</u>	<u>2</u>
<u>Financial Information about Foreign and Domestic Operations and Export Sales</u>	<u>9</u>
Item 1A. <u>Risk Factors</u>	<u>10</u>
Item 1B. <u>Unresolved Staff Comments</u>	<u>15</u>
Item 2. <u>Properties</u>	<u>15</u>
Item 3. <u>Legal Proceedings</u>	<u>15</u>
Item 4. <u>Mine Safety Disclosures</u>	<u>16</u>
Item 5. <u>Market for the Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities</u>	<u>18</u>
Item 6. <u>Selected Consolidated Financial Data</u>	<u>21</u>
Item 7. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>22</u>
Item 7A. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>39</u>
Item 8. <u>Financial Statements and Supplementary Data</u>	<u>40</u>
Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	<u>77</u>
Item 9A. <u>Control and Procedures</u>	<u>79</u>
Item 9B. <u>Other Information</u>	<u>81</u>
Item 10. <u>Directors and Executive Officers of the Registrant and Corporate Governance</u>	<u>81</u>
Item 11. <u>Executive Compensation</u>	<u>81</u>
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>81</u>
Item 13. <u>Certain Relationships and Related Transactions and Director Independence</u>	<u>82</u>
Item 14. <u>Principal Accounting Fees and Services</u>	<u>82</u>
Item 15. <u>Exhibits, Financial Statement Schedules</u>	<u>83</u>

ITEM 1. BUSINESS

Company Overview

Haemonetics is a global healthcare company dedicated to providing innovative blood management solutions to our customers. Our comprehensive portfolio of integrated devices, information management, and consulting services offers blood management solutions for each facet of the blood supply chain, helping improve clinical outcomes and reduce costs for blood and plasma collectors, hospitals, and patients around the world. Our products and services help prevent a transfusion to a patient who does not need one and provide the right blood product, at the right time, in the right dose to the patient who does.

Blood and its components (plasma, platelets, and red cells) have many vital - and frequently life-saving - clinical applications. Plasma is used for patients with major blood loss and is manufactured into pharmaceuticals to treat a variety of illnesses and hereditary disorders such as hemophilia. Red cells treat trauma patients or patients undergoing surgery with high blood loss, such as open heart surgery or organ transplant. Platelets treat cancer patients undergoing chemotherapy. Blood is essential to a modern healthcare system.

Haemonetics is committed to helping our customers create and maintain a safe and efficient blood supply chain. Specifically, we develop and market a wide range of systems used with plasma and blood donors that collect and process blood into its components using both manual and automated methods. We also develop and market a variety of systems to hospitals that automate the cleaning and reinfusion of a surgical patient's blood during surgery, automate the tracking and distribution of blood in the hospital, and enhance blood diagnostics. We also sell information technology platforms to promote efficient and compliant operations for all of our customer groups. Finally, we provide consulting services to reduce costs and improve operating efficiencies in blood management. By better understanding our customers' needs, we are creating comprehensive blood management solutions for blood collectors and healthcare systems in more than 97 countries around the world.

Haemonetics was founded in 1971 as a medical device company — a pioneer and market leader in developing and manufacturing automated blood component collection devices and surgical blood salvage devices. In May 1991, we completed an initial public offering and to this day remain an independent company. Several years ago, we embarked on a strategy to expand our markets and product portfolio to offer more comprehensive blood management solutions to our customers. Through internal product development and external acquisitions, we have significantly expanded our product offerings.

On August 1, 2012 we completed the acquisition of the business assets of the blood collection, filtration and processing product lines of Pall Corporation. We paid \$535.2 million in cash consideration following resolution of post-closing adjustments for working capital and historical earnings levels. The acquisition was funded utilizing \$475.0 million of loans and the remainder from cash on hand. The blood processing systems and equipment acquired are for use in transfusion medicine and include manufacturing facilities in Covina, California; Tijuana, Mexico; Ascoli, Italy and a portion of Pall's assets in Fajardo, Puerto Rico. Approximately 1,300 employees transferred to Haemonetics. We anticipate paying an additional \$15.0 million upon the replication and delivery of certain manufacturing assets of Pall's filter media business to Haemonetics by 2016. Until that time, Pall will manufacture and sell filter media to Haemonetics under a supply agreement. We refer to this newly acquired business as the whole blood business. This acquisition provides access to the manual collection and whole blood markets and has provided scope for introduction of automated solutions into those markets.

On April 30, 2013 we completed the acquisition of certain assets of Hemerus LLC, 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 \$23.0 million cash in addition to the \$1.0 million paid early in fiscal 2013. We will pay an additional \$3.0 million contingent 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 achieved within the next 10 years.

Markets and Products

We serve three markets: manufacturers of plasma derived pharmaceuticals, blood collectors, and hospitals. We report revenues for multiple product lines under four global product categories: **Plasma, Blood Center, Hospital, and Software Solutions**. “Plasma” includes plasma collection devices and consumables. “Blood Center” includes blood collection and processing devices and consumables. “Hospital” includes surgical blood salvage and blood demand diagnostic devices and consumables. “Software Solutions” includes information technology platforms and consulting services provided to all three markets.

Although we address our customers' needs through multiple product lines, we manage our business as one operating segment: the design, manufacture, implementation, support and marketing of blood management solutions. Our chief operating decision-maker uses consolidated financial results to make operating and strategic decisions. Design and manufacturing processes, as well as economic characteristics and the regulatory environment in which we operate, are largely the same for all product lines.

The financial information required for the operating segment is included herein in Note 15 of the financial statements, entitled *Segment Information*.

- **Plasma**

The Plasma Collection Market for Fractionation — Human plasma is collected and processed by bio-pharmaceutical companies into therapeutic and diagnostic products that aid in the treatment of immune diseases and coagulation disorders. While plasma is also used to aid patients with extreme blood loss, such as trauma victims, this portion of our business solely focuses on plasma's pharmaceutical uses. Automated plasma collection technology allows for the safe and efficient collection of plasma. We manufacture and market plasma collection devices and respective disposables, but do not make plasma-derived pharmaceuticals.

Many bio-pharmaceutical companies are vertically integrated in all components of their business and thus are now collecting and fractionating the plasma required to manufacture their pharmaceuticals. This vertical integration paved the way for highly efficient plasma supply chain management and the plasma industry leverages information technology to manage operations from the point of plasma donation to fractionation to the production of the final product.

Haemonetics' Plasma Products — Our portfolio of products and services is designed to support multiple facets of plasma collector operations. We have a long-standing commitment to understanding our customers' collection and fractionation processes. As a result, we deliver product quality and reliability; design equipment that is durable, dependable, and easy to use; and provide comprehensive training support and strong business continuity practices.

Historically, plasma for fractionation was collected manually, which was time-consuming, labor-intensive, produced relatively poor yields, and posed risk to donors. Today, the vast majority of plasma collections worldwide are performed using automated collection technology because it is safer and more cost-effective. With our PCS[®] brand automated plasma collection technology, more plasma can be collected during any one donation event because the other blood components are returned to the donor through the sterile disposable sets used for the plasma donation procedure.

We offer “one stop shopping” to our plasma collection customers, enabling them to source from us the full range of products necessary for plasma collection and storage, including PCS[®] brand plasma collection equipment and consumables, plasma collection containers, and intravenous solutions. We also offer a robust portfolio of integrated information technology platforms for plasma customers to manage their donors, operations, and supply chain. Our products automate the donor interview and qualification process; streamline the workflow process in the plasma center; provide the controls necessary to evaluate donor suitability; determine the ability to release units collected; and manage unit distribution. With our software solutions, plasma collectors can manage processes across the plasma supply chain, react quickly to business changes, and identify opportunities to reduce costs.

Our plasma disposables product line represented 30.1%, 35.5%, and 33.6% of our total revenue in fiscal 2013, 2012 and 2011, respectively.

- **Blood Center**

The Blood Collection Market for Transfusion — There are millions of blood donations throughout the world every year that produce blood products for transfusion to surgical, trauma, or chronically ill patients. Patients typically receive only the blood components necessary to treat a particular clinical condition: for example, red cells to surgical patients, platelets to cancer patients, and plasma to trauma victims.

Platelet therapy is frequently used to alleviate the effects of chemotherapy and help patients with bleeding disorders. Red cells are often transfused to patients to replace blood lost during surgery. Red cells are also transfused to patients with blood disorders, such as sickle cell anemia or aplastic anemia. Plasma, in addition to its role in creating life-saving pharmaceuticals, is frequently transfused to trauma victims and to replace blood volume lost during surgery.

Demand for blood has declined modestly in mature markets due to the development of less invasive, lower blood loss medical procedures and blood management. Highly populated emerging market countries are increasing their demand

for blood as they are advancing their healthcare coverage, and as greater numbers of people gain access to more advanced medical treatment, demand for blood components, plasma-derived drugs, and surgical procedures increases directly.

Most donations worldwide are manual whole blood donations. In this process, whole blood is collected from the donor and then transported to a laboratory where it is separated into its components: red cells, platelets and/or plasma.

In addition to manual collections, there is a significant market for automated component blood collections. In this procedure, the blood separation process is automated and occurs in “real-time” while a person is donating blood. In this separation method, only the specific blood component targeted is collected, and the remaining components are returned to the blood donor. Automated blood component collection allows significantly more of the targeted blood component to be collected during a donation event, especially red cells where our automated system supports collection of two units from eligible donors.

Haemonetics' Blood Center Products — Today, Haemonetics offers automated blood component and manual whole blood collection systems to blood collection centers to collect blood products efficiently and cost effectively.

We market the MCS[®] (Multicomponent Collection System) brand apheresis equipment which is designed to collect specific blood components integrated from the donor. Utilizing the MCS[®] automated platelet collection protocols, blood centers collect one or more therapeutic “doses” of platelets during a single donation by a volunteer blood donor. The MCS[®] two-unit protocol or double red cell collection device helps blood collectors optimize the collection of red cells by automating the blood separation function, eliminating the need for laboratory processing, and enabling the collection of two units of red cells from a single donor thus maximizing the amount of red cells collected per eligible donor and helping to mitigate red cell shortages in countries where this problem exists. Blood collectors can also use the MCS[®] system to collect one unit of red cells and a "jumbo" (double) unit of plasma, or one unit of red cells and one unit of platelets from a single donor. The MCS[®] plasma protocol providing the possibility to collect 600-800ml of plasma for transfusion to patients or for pharmaceutical industry use completes the comprehensive portfolio of different blood component collection options on this device.

With the whole blood acquisition, Haemonetics now also offers a portfolio of products for manual whole blood collection and processing. The assets acquired from Pall Corporation provide us with filter technology and manufacturing capability as well as a broad portfolio of manual collection, filtration and processing products. Haemonetics' portfolio of disposable whole blood collection and component storage sets offer flexibility in collecting a unit of whole blood and the subsequent production and storage of the red blood cell, platelet, and/or plasma products, including options for in-line or dockable filters for leukoreduction of any blood component. In addition, our innovative AcrodoseSM product line provides a closed system for the pooling, storage, and bacteria testing of leukoreduced whole blood derived platelet concentrates, an AcrodoseSM Platelet, that is “transfusion ready” for the hospital. Use of Acrodose platelets lowers hospital handling costs by eliminating the need for pooling and bacteria testing at the hospital.

With the ACP[®] (Automated Cell Processor) brand, Haemonetics offers a small bench-top solution to automate the washing and freezing of red cell components in the lab. The automated red cell washing procedure removes plasma proteins within the red cell units to provide a safer product for transfusion to frequently transfused patients, neonates, or patients with a history of transfusion reactions. The automated glycerolization and deglycerolization steps are required to prepare red cells for frozen storage. Freezing the red cell units can expand the shelf life of these products up to 10 years. Customers utilize this technology to implement strategic red cell inventories for catastrophe cases, storage of rare blood types, or enhanced inventory management.

With the whole blood acquisition, Haemonetics now offers filtration products for the hospital. These filters are used during the blood transfusion process for reduction of particulate debris, fat globules and leukocytes in the blood components.

Our blood center disposables product line represented 40.1%, 29.7%, and 30.0% of our total revenue in fiscal 2013, 2012 and 2011, respectively.

- **Hospital**

The Transfusion Market for Hospitals — Loss of blood is common in many surgical procedures, including open heart, trauma, transplant, vascular, and orthopedic procedures, and the need for transfusion of oxygen-carrying red cells to make up for lost blood volume is routine. Patients commonly receive donor blood, referred to as “allogeneic blood,” which carries various risks including risk of transfusion with the wrong blood type; risk of transfusion

reactions including death, but more commonly chills, fevers or other side effects that can prolong a patient's recovery; and risk of transfusion of blood with a blood-borne disease or infectious agent.

An alternative to allogeneic blood is surgical cell salvage, also known as autotransfusion, which reduces or eliminates a patient's need for blood donated from others and ensures that the patient receives the freshest and safest blood possible — his or her own. Surgical cell salvage involves the collection of a patient's own blood during and after surgery, for reinfusion of red cells to that patient. Blood is suctioned from the surgical site or collected from a wound or chest drain, processed and washed through a centrifuge-based system that yields concentrated red cells available for transfusion back to the patient. This process occurs in a sterile, closed-circuit, single-use consumable set that is fitted into an electromechanical device. We market our surgical blood salvage products to surgical specialists, primarily cardiovascular, orthopedic, and trauma surgeons, and to surgical suite service providers.

Haemonetics' Hospital Products — Haemonetics offers a range of blood management solutions that significantly improve a hospital's systems for acquiring blood, storing it in the hospital, and dispensing it efficiently and correctly. Over the last few years, hospitals have become more aware of their need to control costs and improve patient safety by managing blood more effectively. Our products and integrated solution platforms help hospitals optimize performance of blood acquisition, storage, and distribution.

Our TEG[®] Thrombelastograph Hemostasis Analyzer system is a blood diagnostic instrument that measures a patient's hemostasis or the ability to form and maintain blood clots. By understanding a patient's clotting ability, clinicians can better plan for the patient's care, deciding in advance whether to start or discontinue use of certain drugs or, determine the likelihood of the patient's need for a transfusion and which blood components will be most effective in stopping bleeding. Such planning supports the best possible clinical outcome, which can lead to lower hospital costs through a reduction in unnecessary donor blood transfusions, reduced adverse transfusion reactions, shorter intensive care unit and hospital stays, and exploratory surgeries.

The Cell Saver[®] system is a surgical blood salvage system targeted to procedures that involve rapid, high-volume blood loss, such as cardiovascular surgeries. It has become the standard of care for high blood-loss surgeries. In fiscal 2012, we launched the Cell Saver[®] Elite[®] system, which is our most advanced autotransfusion option to minimize allogeneic blood use for surgeries with medium to high blood loss.

The OrthoPAT[®] surgical blood salvage system is targeted to procedures, such as orthopedic, that involve slower, lower volume blood loss that often occurs well after surgery. The cardioPAT[®] system is a surgical blood salvage system targeted to open heart surgeries when there is less blood loss during surgery, but where the blood loss continues post-surgery. These systems are designed to remain with the patient following surgery, to recover blood and produce a washed red cell product for autotransfusion. Their Quick-Connect feature permits customers to utilize the blood processing set selectively, depending on the patient's need.

Our IMPACT[®] Online web-based software platform, which monitors and measures improvements in a hospital's blood management practices, provides hospitals with a baseline view of their blood management metrics and helps monitor transfusion rates. Business consulting solutions are offered to support process excellence and blood management efforts. We also provide blood management assessment tools to hospitals that enable our customers to monitor their progress in order to continually improve their blood management performance.

Our hospital disposables product line represented 14.7%, 16.6%, and 18.0% of our total revenue in fiscal 2013, 2012 and 2011, respectively.

- **Software Solutions**

Haemonetics' Software Products and Services — We have a suite of integrated software solutions for improving efficiencies and helping ensure donor and patient safety. This includes solutions for blood drive planning, donor recruitment and retention, blood collection, component manufacturing and distribution, transfusion management, and remote blood allocation. For our plasma customers, we also provide information technology platforms for managing donors and information associated with the collection of plasma products within fractionation facilities. While each Haemonetics information technology platform can be used independently, our mission to provide "Arm to Arm[®]" blood management solutions means they can also work together through integration to further improve process workflows. Also, the ability to evaluate information based on the integration of these systems allows customers to continually improve their business processes. Leveraging information to make more informed decisions is a significant component of Haemonetics' overall commitment to improving blood management systems globally.

Integrated Blood Management Solutions—Combining software solutions with devices, we meet our goal of offering customers powerful tools for improving blood management while driving growth of our consumables. For example, a hospital may use our consulting services to analyze its blood management practices and recommend changes in practice. Then, the hospital can leverage our systems and services to analyze blood utilization, manage blood inventory, and potentially reduce demand for donated blood. Finally, hospitals can use our IMPACT[®] Online blood management business intelligence portal to monitor the results of its new blood management practices. The positive patient impact and reduced costs from this integrated blood management approach can be significant. Likewise, by understanding best practices, blood demand, and discreet patient needs, hospitals can more frequently deploy our devices for hemostasis diagnosis and cell salvage to ensure best patient care.

While each of our products, platforms, and services can be marketed individually, our blood management solutions vision is to offer integrated closed-loop solutions for blood supply chain management. Our software solutions — information technology platforms and consulting services — can be combined with our devices and sold through our plasma, blood center, and hospital sales forces.

Our software products help hospitals track and safely deliver stored blood products. SafeTrace Tx[®] is our software solution that helps manage blood product inventory, perform patient cross-matching, and manage transfusions. In addition, our BloodTrack[®] suite of solutions manages tracking and control of blood products from the hospital blood center through to transfusion to the patient. “Smart” refrigerators located in or near operating suites, emergency rooms, and other parts of the hospital dispense blood units with secure control and automated traceability for efficient documentation. With our more comprehensive offerings, hospitals are better able to manage processes across the blood supply chain and identify increased opportunities to reduce costs and enhance processes.

We believe a key example of our blood management solutions is the potential to balance blood demand with supply and mitigate shortages of blood components and reduce collection costs. Our software solutions, such as our SafeTrace[®] and El Dorado Donor[®] donation and blood unit management systems, span blood center operations and automate and track operations from the recruitment of the blood donor to the disposition of the blood product. Our Hemasphere[®] software solution provides support for more efficient blood drive planning, and Donor Doc[®] and e-Donor[®] software help to improve recruitment and retention. Combined, our solutions help blood collectors improve the safety, regulatory compliance, and efficiency of blood collection and supply.

Our software solutions product line represented 7.8%, 9.7%, and 9.9% of our total revenue in fiscal 2013, 2012 and 2011, respectively.

Marketing/Sales/Distribution

We market and sell our products to commercial plasma collectors, blood collection groups and independent blood centers, hospitals and hospital service providers, and national health organizations through our own direct sales force (including full-time sales representatives and clinical specialists) as well as independent distributors. Sales representatives target the primary decision-makers within each of those organizations.

United States

In fiscal 2013, 2012 and 2011 approximately 51.0%, 48.4%, and 46.9%, respectively, of consolidated net revenues were generated in the U.S., where we primarily use a direct sales force to sell our products.

Outside the United States

In fiscal 2013, 2012 and 2011 approximately 49.0%, 51.6%, and 53.1%, respectively, of consolidated net revenues were generated through sales to non-U.S. customers. Outside the United States, we use a combination of direct sales force and distributors.

Research and Development

Our research and development (“R&D”) centers in the United States and Switzerland ensure that protocol variations are incorporated to closely match local customer requirements. In addition, our Haemonetics Software Solutions also maintains development operations in Canada and France.

Customer collaboration is also an important part of our technical strength and competitive advantage. These collaboration customers and transfusion experts provide us with ideas for new products and applications, enhanced protocols, and potential test sites as well as objective evaluations and expert opinions regarding technical and performance issues.

The development of blood component separation products and extracorporeal blood typing and screening systems has required us to maintain technical expertise in various engineering disciplines, including mechanical, electrical, software, and biomedical engineering and material science. Innovations resulting from these various engineering efforts enable us to develop systems that are faster, smaller, and more user-friendly, or that incorporate additional features important to our customer base.

Research and development expense was \$44.4 million in fiscal 2013, \$36.8 million in fiscal 2012 and \$32.7 million in fiscal 2011, representing approximately 5.0% of our net sales each year.

In fiscal 2013, R&D resources were allocated to supporting a next generation orthopedic perioperative autotransfusion device, a series of elements comprising an automated whole blood collection system, and several other projects to enhance our current product portfolio.

Manufacturing

Our principal manufacturing operations are located in the United States, Mexico, Scotland, Switzerland and Italy.

In general, our production activities occur in controlled settings or “clean room” environments. Each step of the manufacturing and assembly process is quality checked, qualified, and validated. Critical process steps and materials are documented to ensure that every unit is produced consistently and meets performance requirements. All of our other equipment and disposable manufacturing sites are certified to the ISO 13485 standard and to the Medical Device Directive allowing placement of the CE mark of conformity.

Plastics are the principal component of our disposable products. Contracts with our suppliers help mitigate some of the short-term effects of price volatility in this market. However, increases in the price of petroleum derivatives could result in corresponding increases in our costs to procure plastic raw materials.

Contractors manufacture some component-sets according to our specifications. We maintain important relationships with two Japanese manufacturers that produce finished consumables in Singapore, Japan, and Thailand. Certain parts and components are purchased from sole source vendors. We believe that if necessary, alternative sources of supply are available in most cases, and could be secured within a relatively short period of time. Nevertheless, an interruption in supply could temporarily interfere with production schedules and affect our operations.

Each blood processing machine is designed in-house and assembled from components that are either manufactured by us or to our specifications. The completed instruments are programmed, calibrated, and tested to ensure compliance with our engineering and quality assurance specifications. Inspection checks are conducted throughout the manufacturing process to verify proper assembly and functionality. When mechanical and electronic components are sourced from outside vendors, those vendors must meet detailed qualification and process control requirements.

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Securities and Exchange Commission has issued final rules regarding the disclosure of use of certain minerals, known as conflict minerals, which are mined from the Democratic Republic of the Congo and adjoining countries. These rules could have an adverse effect on the sourcing, supply and pricing of materials used in our products.

Intellectual Property

We consider our intellectual property rights to be important to our business. We rely on patent, trademark, copyright, and trade secret laws, as well as provisions in our agreements with third parties to protect our intellectual property rights. We hold patents in the United States and many international jurisdictions on some of our machines, processes, disposables and related technologies. These patents cover certain elements of our systems, including protocols employed in our equipment and certain aspects of our processing chambers and disposables. Our patents may cover current products, products in markets we plan to enter, or products in markets we plan to license, or the patents may be defensive in that they are directed to technologies not currently embodied in our current products. We may also license patent rights from third parties that cover technologies that we plan to use in our business. To maintain our competitive position, we rely on the technical expertise and know-how of our personnel and on our patent rights. We pursue an active and formal program of invention disclosure and patent application in both the United States and foreign jurisdictions. We own various trademarks that have been registered in the United States and certain other countries.

Our policy is to obtain patent and trademark rights in the U.S. and foreign countries where such rights are available and we believe it is commercially advantageous to do so. However, the standards for international protection of intellectual property vary widely. We cannot assure that pending patent and trademark applications will result in issued patents and registered trademarks, that patents issued to or licensed by us will not be challenged or circumvented by competitors, or that our patents will not be determined invalid.

Competition

We have established a record of innovation and leadership in each of the areas in which we compete. To remain competitive, we must continue to develop and acquire new cost-effective products, information technology platforms, and business services. We believe that our ability to maintain a competitive advantage will continue to depend on a combination of factors. Some factors are largely within our control such as reputation, regulatory approvals, patents, unpatented proprietary know-how in several technological areas, product quality, safety and cost effectiveness and continual and rigorous documentation of clinical performance. Terumo BCT, Sorin Biomedica and Fresenius SE & Co. KGaA ("Fresenius") are large global competitors with product offerings similar to ours.

Plasma

In the automated plasma collection market, we principally compete with Fresenius, who acquired Fenwal, Inc. in November 2012, on the basis of quality, reliability, ease of use, services and technical features of systems, and on the long-term cost-effectiveness of equipment and disposables. In China, the market is populated by local producers of a product that is intended to be similar to ours. Recently, those competitors have expanded to markets beyond China, into European and South American countries.

Blood Center

We have several competitors in the Blood Center product lines, some of whom compete across all blood components and other are more specialized.

Terumo BCT, a combination of Caridian BCT and Terumo Medical Corporation is one of our major competitors in automated platelet collection. Fresenius is another major competitor in this area after their November 2012 acquisition of Fenwal. In the automated platelet collection business, competition is based on continual performance improvement, as measured by the time and efficiency of platelet collection and the quality of the platelets collected. Each of these companies has taken a different technological approach in designing their systems for automated platelet collection. In the platelet collection market, as a result of the Pall Corporation acquired business product lines, we now also compete in the pooled random donor platelet segment from whole blood collections from which pooled platelets are derived with the Acrodose product or buffy coat pooling sets.

Terumo BCT and Fresenius (following its acquisition of Fenwal in 2012) are also competitors in the automated red cell collection market. However, it is important to note that most double red cell collection is done in the US and less than 10% of the 14 million units of red cells collected in the U.S. annually are collected via automation. Therefore, we also compete with the traditional method of collecting red cells from the manual collection of whole blood. As discussed in our *Company Overview*, we entered the whole blood collections market during fiscal 2013 through the acquisition of the whole blood business from Pall. We compete on the basis of total cost, type-specific collection, process control, product quality, and inventory management.

Our whole blood business faces competition on the basis of quality and price. In North America, Europe and Asia-Pacific our main competitors are Fresenius, MacoPharma and Terumo BCT. Haemonetics and Fresenius are market co-leaders in the leukoreduced whole blood disposables segment in North America and Asia Pacific, whereas in Europe, Fresenius is the market leader. In Japan, Kawasumi is also a strong local competitor. We have a significant competitive cost advantage in the supply of filtration needed in whole blood collection because we are vertically integrated in the production of our own filters. This is unique among our major competitors.

In the cell processing market, competition is based on level of automation, labor-intensiveness, and system type (open versus closed). Open systems may be weaker in good manufacturing process compliance. Moreover, blood processed through open systems has a 24-hour shelf life. With the ACP[®] (automated cell processor) brand, Haemonetics offers a closed system cell processor which gives blood processed through it, a 14-day shelf life. We compete with Terumo BCT's open systems in this market.

Hospital

Within our hospital business, in the diagnostics market, the TEG Thrombelastograph Hemostasis Analyzer is used primarily in surgical applications. One direct competitor, ROTEM, is a competitor in Europe and in the United States. Other competitive technologies include standard coagulation tests and platelet function testing. The TEG analyzer competes with other laboratory tests based on its ability to provide a complete picture of a patient's hemostasis at a single point in time, and the ability to measure the clinically relevant platelet function for an individual patient.

In the intraoperative surgical blood salvage market, competition is based on reliability, ease of use, service, support, and price. For high-volume platforms, each manufacturer's technology is similar, and our Cell Saver technology competes principally with Medtronic, Fresenius, and Sorin Biomedica.

In the “perioperative” surgical blood salvage market, our OrthoPAT and cardioPAT systems compete primarily against (i) non-automated processing systems whose end product is an unwashed red blood cell unit for transfusion to the patient and (ii) transfusions of donated blood.

In the software market, we compete with MAK Systems, Medware, Sunquest Information Systems and applications developed internally by our customers. These companies provide software to blood and plasma collectors and to hospitals for managing donors, collections, and blood units. None of these companies compete with Haemonetics' non-software products.

Our technical staff is highly skilled, but certain competitors have substantially greater financial resources and larger technical staffing at their disposal. There can be no assurance that competitors will not direct substantial efforts and resources toward the development and marketing of products competitive with those of Haemonetics.

Significant Customers

The Japanese Red Cross Society (JRC) represented 10.1% and 13.7% of our net revenues in fiscal 2013 and 2012, respectively. Additionally, Grifols S.A., a global healthcare customer, represented approximately 11.0% of our net revenues in fiscal 2012. Revenue from Grifols S.A. was less than 10% of net revenues in fiscal 2013 due to increases in net revenues associated with the August 1, 2012 acquisition of the whole blood transfusion medicine business.

Government Regulation

The products we manufacture and market are subject to regulation by the Center of Biologics Evaluation and Research (“CBER”) and the Center of Devices and Radiological Health (“CDRH”) of the United States Food and Drug Administration (“FDA”), and other non-United States regulatory bodies.

All medical devices introduced to the United States market since 1976 are required by the FDA, as a condition of marketing, to secure either a 510(k) pre-market notification clearance or an approved premarket approval application (“PMA”). In the United States, software used to automate blood center operations and blood collections and to track those components through the system are considered by FDA to be medical devices, subject to 510(k) pre-market notification. Intravenous solutions (blood anticoagulants and solutions for storage of red blood cells) marketed by us for use with our manual collection and automated systems requires us to obtain an approved New Drug Application (“NDA”) or Abbreviated New Drug Application (“ANDA”) from CBER. A 510(k) pre-market clearance indicates FDA’s agreement with an applicant’s determination that the product for which clearance is sought is substantially equivalent to another legally marketed medical device. The process of obtaining a 510(k) clearance may involve the submission of clinical data and supporting information. The process of obtaining NDA approval for solutions is likely to take much longer than 510(k) clearances because the FDA review process is more complicated.

The FDA’s Quality System regulations set forth standards for our product design and manufacturing processes, require the maintenance of certain records and provide for inspections of our facilities. There are also certain requirements of state, local and foreign governments that must be complied with in the manufacturing and marketing of our products. We maintain customer complaint files, record all lot numbers of disposable products, and conduct periodic audits to assure compliance with FDA regulations. We place special emphasis on customer training and advise all customers that device operation should be undertaken only by qualified personnel.

The FDA can ban certain medical devices; detain or seize adulterated or misbranded medical devices; order repair, replacement or refund of these devices; and require notification of health professionals and others with regard to medical devices that present unreasonable risks of substantial harm to the public health. The FDA may also enjoin and restrain certain violations of the Food, Drug and Cosmetic Act and the Safe Medical Devices Act pertaining to medical devices, or initiate action for criminal prosecution of such violations.

We are also subject to regulation in the countries outside the United States in which we market our products. The member states of the European Union (EU) have adopted the European Medical Device Directives, which create a single set of medical device regulations for all EU member countries. These regulations require companies that wish to manufacture and distribute medical devices in EU member countries to obtain CE Marking for their products. Outside of the EU, many of the regulations applicable to our products are similar to those of the FDA. However, the national health or social security organizations of certain countries require our products to be registered by those countries before they can be marketed in those countries.

We have complied with these regulations and have obtained such registrations where we market our products. Federal, state and foreign regulations regarding the manufacture and sale of products such as ours are subject to change. We cannot predict what impact, if any, such changes might have on our business.

We are also subject to various environmental, health and general safety laws, directives and regulations both in the U.S. and abroad. Our operations, like those of other medical device companies, involve the use of substances regulated under environmental laws, primarily in manufacturing and sterilization processes. We believe that sound environmental, health and safety performance contributes to our competitive strength while benefiting our customers, shareholders and employees.

Environmental Matters

Failure to comply with international, federal and local environmental protection laws or regulations could have an adverse impact on our business or could require material capital expenditures. We continue to monitor changes in U.S. and international environmental regulations that may present a significant risk to the business, including laws or regulations relating to the manufacture or sale of products using plastics.

Employees

As of March 30, 2013, we employed the full-time equivalent of 3,563 persons assigned to the following functional areas: manufacturing, 2,043; sales and marketing, 432; general and administrative, 418; research and development, 318; and quality control and field service, 352. We consider our employee relations to be satisfactory.

Availability of Reports and Other Information

All of our corporate governance materials, including the Principles of Corporate Governance, the Business Conduct Policy and the charters of the Audit, Compensation, and Nominating and Governance Committees are published on the Investor Relations section of our website at <http://phx.corporate-ir.net/phoenix.zhtml?c=72118&p=irol-IRHome>. On this website the public can also access, free of charge, our annual, quarterly and current reports and other documents filed with or furnished to the Securities and Exchange Commission, or SEC, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

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 capture and creation 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 Item 1A. Risk Factors included in this report. The foregoing list should not be construed as exhaustive.

ITEM 1A. RISK FACTORS

Set forth below are the risks that we believe are material to our investors. This section contains forward-looking statements. You should refer to the explanation of the qualifications and limitations on forward-looking statements beginning on page 9 and 38.

If we are unable to successfully expand our product lines through internal research & development and acquisitions, our business may be materially and adversely affected.

Continued growth of our business depends on our maintaining a pipeline of profitable new products and successful improvements to our existing products. This requires accurate market analysis and carefully targeted application of intellectual and financial resources toward technological innovation or acquisition of new products. The creation and adoption of technological advances is only one step. We must also efficiently develop the technology into a product which confers a competitive advantage, represents a cost effective solution or provides improved clinical outcomes. The risks of missteps and set backs are an inherent part of the innovation and development processes in the medical device industry.

If we are unable to successfully grow our business through marketing partnerships and acquisitions, our business may be materially and adversely affected.

Promising partnerships and acquisitions may not be completed for reasons such as competition among prospective partners or buyers, our inability to reach satisfactory terms, or the need for regulatory approvals. Any acquisition that we complete may be dilutive to earnings and require the investment of significant resources. The economic environment may constrain our ability to access the capital needed for acquisitions and other capital investments.

Failure to integrate acquired businesses into our operations successfully could adversely affect our business.

The integration of the operations of acquired businesses requires significant efforts, including the coordination of information technologies, research and development, sales and marketing, operations, manufacturing and finance. These efforts result in additional expenses and involve significant amounts of management's time. Factors that affect the success of acquisitions include the strength of the acquired company's underlying technology and ability to execute, our ability to retain employees, and our ability to achieve synergies, such as increasing sales and achieving cost savings. Our failure to manage successfully and coordinate the growth of the combined acquired companies could have an adverse impact on our business and our future growth.

Quality problems with our processes, goods, and services could harm our reputation for producing high-quality products and erode our competitive advantage, sales, and market share.

Quality is extremely important to us and our customers due to the serious and costly consequences of product failure. Our quality certifications are critical to the marketing success of our products and services. If we fail to meet these standards or fail to adapt to evolving standards, our reputation could be damaged, we could lose customers, and our revenue and results of operations could decline.

As approximately half of our revenue comes from outside the United States, we are subject to export and import restrictions, local regulatory authorities and the laws and medical practices in foreign jurisdictions.

Our international operations are governed by the U.S. Foreign Corrupt Practices Act (FCPA) and other similar anti-corruption laws in other countries. Generally, these laws which prohibit companies and their business partners or other intermediaries from making improper payments to foreign governments and government officials in order to obtain or retain business. Global enforcement of such anti-corruption laws has increased in recent years, including aggressive investigations and enforcement proceedings. While we have an active compliance program and various other safeguards to discourage impermissible practices, our global operations carry some risk of unauthorized impermissible activity on the part of one of our distributors, employees, agents or consultants. Any alleged or actual violation could subject us to government scrutiny, severe criminal or civil fines, or sanctions on our ability to export product outside the U.S., which could adversely affect our reputation and financial condition.

Export of U.S. technology or goods manufactured in the United States to some jurisdictions requires special U.S. export authorization or local market controls that may be influenced by factors, including political dynamics, outside our control.

Finally, any other significant changes in the competitive, legal, regulatory, reimbursement or economic environments of the jurisdictions in which we conduct our international business could have a material impact on our business.

The implementation of healthcare reform in the United States may adversely affect us.

The Patient Protection and Affordable Health Care Act was enacted into law in the U.S. in March 2010. In addition to a medical device tax, effective as of January 2013, the effects of which are considered in our financial disclosures, certain other provisions of the Act will not be effective until 2014 and 2015, and there are many programs and requirements for which the details have not yet been fully established or consequences not fully understood. We are unable to predict what healthcare programs and regulations will be ultimately implemented at either the federal or state level, but any changes that may decrease reimbursement for our products, reduce medical procedure volumes or increase cost containment measures could adversely impact our business.

An interruption in our ability to manufacture our products or an inability to obtain key components or raw materials may adversely affect our business.

Certain key products are manufactured at single locations, with limited alternate facilities. If an event occurs that results in damage to one or more of our facilities, we may be unable to manufacture the relevant products at previous levels or at all. In addition, for reasons of quality assurance or cost effectiveness, we purchase certain components and raw materials from sole suppliers. Due to the stringent regulations and requirements of the FDA and other similar non-U.S. regulatory agencies regarding the manufacture of our products, we may not be able to quickly establish additional or replacement sources for certain components or materials. A reduction or interruption in manufacturing, or an inability to secure alternative sources of raw materials or components, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

If we are unable to meet our debt obligations or experience a disruption in our cash flows, it could have an adverse effect on our financial condition, results of operations or cost of borrowing.

We incurred \$475.0 million in debt to acquire the whole blood business. The obligations to pay interest and repay the borrowed amounts may restrict our ability to adjust to adverse economic conditions, our ability to fund working capital, capital expenditures, acquisition or other general corporate requirements. The interest rate on the loan is variable and subject to change based on market forces. Fluctuations in interest rates could adversely affect our profitability and cash flows.

In addition, as a global corporation we have significant cash reserves held in foreign countries. These balances may not be immediately available to repay our debt or may only be available after paying significant taxes.

Our credit facilities contain financial covenants that require us to maintain specified financial ratios and make interest and principal payments. If we are unable to satisfy these covenants, we may be required to obtain waivers from our lenders and no assurance can be made that our lenders would grant such waivers on favorable terms, or at all, and we could be required to repay any borrowed amounts on short notice.

As a medical device manufacturer we are subject to a number of laws and regulations. Non-compliance with those laws or regulations could adversely affect our financial condition and results of operations.

The manufacture, distribution and marketing of our products are subject to regulation by the FDA and other non-United States regulatory bodies. We must obtain specific regulatory clearance prior to selling any new product or service, a process which is costly and time consuming. Our operations are also subject to continuous review and monitoring by the FDA and other regulatory authorities. Failure to substantially comply with applicable regulations could subject our products to recall or seizure by government authorities, or an order to suspend manufacturing activities. As well, if our products were determined to have design or manufacturing flaws, this could result in their recall or seizure. Either of these situations could also result in the imposition of fines.

Many of our competitors have significantly greater financial means and resources, which may allow them to more rapidly develop new technologies and more quickly address changes in customer requirements.

Our ability to remain competitive depends on a combination of factors. Certain factors are within our control such as reputation, regulatory approvals, patents, unpatented proprietary know-how in several technological areas, product quality, safety, cost effectiveness and continued rigorous documentation of clinical performance. Other factors are outside of our control such as regulatory standards, medical standards, reimbursement policies and practices, and the practice of medicine.

Loss of a significant customer could adversely affect our business.

In fiscal 2013, our ten largest customers accounted for approximately 44% of our revenue. If any of our largest customers materially reduce their purchases from us or terminate their relationship with us for any reason, we could experience an adverse effect on our results of operations or financial condition.

Our largest customer, the Japanese Red Cross Society (JRC), represented 10.1% of our revenues in fiscal 2013. Because of the size of this relationship we could experience a significant reduction in revenue if the JRC decided to significantly reduce its purchases from us for any reason, including a desire to rebalance its purchases between vendors, or if we are unable to obtain

and maintain necessary regulatory approvals in Japan. We also have a concentration of credit risk due to our outstanding accounts receivable balances with the JRC.

Current or worsening economic conditions may adversely affect our business and financial condition.

A portion of our trade accounts receivable outside the United States 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 \$23.4 million as of March 30, 2013, may increase the average length of time it takes us to collect our accounts receivable in certain regions within these countries.

We may not realize the expected benefits from our Manufacturing Network Optimization Program; our long-term plans will result in higher short-term expenses and require more cash expenditures.

In May 2013, we announced a multi-year Manufacturing Network Optimization Program which is intended to reduce our manufacturing costs by changing our current manufacturing footprint and supply chain strategy. We expect the program will reduce manufacturing costs and improve supply chain efficiency when complete. However, there are no assurances these cost savings or supply chain efficiencies will be achieved, and implementation of the program could introduce risks such as management distraction, business disruption, and attrition beyond our planned reduction in workforce and reduced employee productivity which may reduce our revenue or increase our costs. Additionally, implementing the program will result in charges and expenses that impact our operating results and increase our level of capital expenditures.

As a global corporation, we are exposed to fluctuations in currency exchange rates, which could adversely affect our cash flows and results of operations.

International revenues and expenses account for a substantial portion of our operations and we intend to continue expanding our presence in international markets. In fiscal 2013, our international revenues accounted for 49.0% of our total revenues. The exposure to fluctuations in currency exchange rates takes different forms. Reported revenues for sales, as well as manufacturing and operational costs denominated in foreign currencies by our international businesses, fluctuate due to exchange rate movement when translated into U.S. dollars for financial reporting purposes. Fluctuations in exchange rates could adversely affect our profitability in U.S. dollars of products and services sold by us into international markets, where payment for our products and services and related manufacturing and operational costs is made in local currencies.

We are subject to the risks associated with communicable diseases. A significant outbreak of a disease could reduce the demand for our products and affect our ability to provide our customers with products and services.

An eligible donor's willingness to donate is affected by concerns about their personal health and safety. Concerns about communicable diseases (such as pandemic flu, SARS, or HIV) could reduce the number of donors, and accordingly reduce the demand for our products for a period of time. A significant outbreak of a disease could also affect our employees' ability to work, which could limit our ability to produce product and service our customers.

There is a risk that the Company's intellectual property may be subject to misappropriation in some countries.

Certain countries, particularly China, do not enforce compliance with laws that protect intellectual property ("IP") rights with the same degree of vigor as is available under the U.S. and European systems of justice. Further, certain of the Company's IP rights are not registered in China, or if they were, have since expired. This may permit others to produce copies of products in China that are not covered by currently valid patent registrations. There is also a risk that such products may be exported from China to other countries.

In order to aggressively protect our intellectual property throughout the world, we have a program of patent disclosures and filings in markets where we conduct significant business. While we believe this program is reasonable and adequate, the risk of loss is inherent in litigation as different legal systems offer different levels of protection to intellectual property, and it is still possible that even patented technologies may not be protected absolutely from infringement.

Pending and future intellectual property litigation could be costly and disruptive to us.

We operate in an industry that is susceptible to significant intellectual property litigation. We are currently pursuing intellectual property infringement claims described in more detail under Item 3. Legal Proceedings and *Note 10- Commitments and Contingencies* to our fiscal 2013 consolidated financial statements included in Item 8 of this Annual Report. Intellectual

property litigation is expensive, complex and lengthy and its outcome is difficult to predict. Patent litigation may result in adverse outcomes and could significantly divert the attention of our technical and management personnel.

We sell our products in certain emerging economies.

There are risks with doing business in emerging economies, such as Brazil, Russia, India and China. These economies tend to have less mature product regulatory systems, and more volatile financial markets. In addition, the government controlled health care system's ability to invest in our products and systems may abruptly shift due to changing government priorities or funding capacity. Our ability to sell products in these economies is dependent upon our ability to hire qualified employees or agents to represent our products locally, and our ability to obtain and maintain the necessary regulatory approvals in a less mature regulatory environment. If we are unable to retain qualified representatives or maintain the necessary regulatory approvals, we will not be able to continue to sell products in these markets. We are exposed to a higher degree of financial risk, if we extend credit to customers in these economies.

In many of the international markets in which we do business, including certain parts of Europe, South America, the Middle East, Russia and Asia, our employees, agents or distributors offer to sell our products in response to public tenders issued by various governmental agencies.

There is additional risk in selling our products through agents or distributors, particularly in public tenders. If they misrepresent our products, do not provide appropriate service and delivery, or commit a violation of local or U.S. law, our reputation could be harmed, and we could be subject to fines, sanctions or both.

We have a complex international supply chain.

Any disruption to one or more of our suppliers' production or delivery of sufficient volumes of subcomponents conforming to our specifications could disrupt or delay our ability to deliver finished products to our customers. For example, we purchase components in Asia for use in manufacturing in the United States and Scotland. We also regularly ship finished goods from Scotland to Europe and Asia.

Plastics are the principal component of our disposables, which are the main source of our revenues.

Increases in the price of petroleum derivatives could result in corresponding increases in our costs to procure plastic raw materials. Increases in the costs of other commodities may affect our procurement costs to a lesser degree.

The technologies that support our products are the subject of active patent prosecution.

There is a risk that one or more of our products may be determined to infringe a patent held by another party. If this were to occur we may be subject to an injunction or to payment of royalties, or both, which may adversely affect our ability to market the affected product(s). In addition, competitors may patent technological advances which may give them a competitive advantage or create barriers to entry.

Our products are made with materials which are subject to regulation by governmental agencies.

Environmental regulations may prohibit the use of certain compounds in products we market and sell in regulated markets. If we are unable to substitute suitable materials into our processes, our manufacturing operations may be disrupted. In addition, we may be obligated to disclose the origin of certain materials used in our products, including but not limited to, metals mined from locations which have been the site of human rights violations.

We are entrusted with sensitive personal information relating to surgical patients, blood donors, employees and other persons in the course of operating our business and serving our customers.

Government agencies require that we implement measures to ensure the integrity and security of such personal data and, in the event of a breach of protocol, we inform affected individuals. If our systems are not properly designed or implemented, or should suffer a breach of security or an intrusion (e.g., "hacking") by unauthorized persons, the Company's reputation could be harmed, and it could incur costs and liabilities to affected persons and enforcement agencies.

We operate in an industry susceptible to significant product liability claims.

Our products are relied upon by medical personnel in connection with the treatment of patients and the collection of blood from donors. In the event that patients or donors sustain injury or death in connection with their condition or treatment, we, along with others, may be sued, and whether or not we are ultimately determined to be liable, we may incur significant legal expenses. These claims may be brought by individuals seeking relief on their own behalf or purporting to represent a class. In addition, product liability claims may be asserted against us in the future based on events we are not aware of at the present time.

In addition, such litigation could damage our reputation and, therefore, impair our ability to market our products and obtain professional or product liability insurance. This causes the premiums for such insurances to increase. As such, we carry product liability coverage. While we believe that current coverage is sufficient, there is no assurance that such coverage will be adequate to cover incurred liabilities. Moreover, we may be unable to obtain acceptable product and professional liability coverage.

Consolidation in the healthcare industry could lead to increased demand for price concessions or the exclusion of suppliers from significant market segments, which could have an adverse effect on our business, financial condition and results of operations.

The costs of healthcare have risen significantly over the past decade. Numerous initiatives and reform by legislators, regulators and third-party payors to curb these costs have resulted in a consolidation trend in the healthcare industry. This consolidation has resulted in greater pricing pressure, decreased average selling prices and the exclusion of certain suppliers from important market segments. For example, group purchasing organizations, integrated delivery networks and large single accounts continue to consolidate purchasing decisions for some of our hospital customers. We expect market demand, government regulation, third-party reimbursement policies, government contracting requirements and societal pressures will continue to change the worldwide healthcare industry, resulting in further business consolidations and alliances among our customers and competitors. This may exert further downward pressure on the prices of our products and adversely impact our business, financial condition or results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our headquarters facility, which the Company owns, is located on 14 acres in Braintree, Massachusetts. This facility is located in a light industrial park and was constructed in the 1970s. The building is approximately 180,000 square feet, of which 70,000 square feet are devoted to manufacturing and quality control operations, 35,000 square feet to warehousing, 72,000 square feet for administrative and research, development and engineering activities.

The Company leases an 81,929 square foot facility in Leetsdale, Pennsylvania. This facility is used for warehousing, distribution and manufacturing operations supporting our plasma business. Annual lease expense is \$383,970 for this facility.

The Company leases 99,931 square feet in Draper, Utah. This facility is used for the manufacturing and distribution of plasma disposable products. Annual lease expense is \$495,498.

The Company owns a facility in Union, South Carolina. This facility is used to manufacture sterile solutions that support our blood center and plasma businesses. The facility is approximately 69,300 square feet.

The Company leases a facility in Niles, Illinois, which performs research and manufacturing for the Company. This facility is 16,478 square feet of office and manufacturing space. Annual lease expense is \$153,523.

The Company owns a facility in Bothwell, Scotland used to manufacture disposable components for European customers. This facility is approximately 40,200 square feet.

The Company leases 26,264 square feet of office space in Signy, Switzerland. This facility is used for sales, marketing, finance and other administrative services, as well as supply chain and procurement management activities related to our manufacturing operations. Annual lease expense for this space is \$900,000.

The Company leases a facility in Fajardo, Puerto Rico that is approximately 114,860 square feet under an agreement with Pall Corporation executed in connection with the Company's acquisition of Pall's transfusion medicine business on August 1, 2012. This facility is used for production of blood filters. We recorded a \$2.1 million capital lease under purchase accounting for this property for which we are recording approximately \$0.2 million of depreciation expense annually.

The Company owns a facility in Ascoli, Italy, used for the production of whole blood collection kits. This facility is 87,188 square feet.

The Company leases 126,569 square feet of space in Tijuana, Mexico used for the production of blood collection sets used for collection, handling and storage of whole blood. Annual lease expense is approximately \$327,360.

The Company owns two facilities in Covina, California that occupy 70,781 square feet, dedicated to manufacturing, R&D and engineering functions. The facilities also include general administration space. The Company also leases 40,400 square feet of space for warehousing and logistic operations. Annual lease expense is approximately \$264,450. These facilities are used for the production of whole blood collection kits.

The Company also leases administration, sales, marketing, service, and distribution facilities in locations around the world.

ITEM 3. LEGAL PROCEEDINGS

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

Fenwal (Fresenius) Patent Infringement

For the past six years, we have pursued patent infringement lawsuits against Fenwal Inc. seeking an injunction and damages from their infringement of a Haemonetics patent, through the sale of the ALYX brand automated red cell collection system, a competitor of our automated red cell collection systems.

Currently, we are pursuing a patent infringement action in Germany against Fenwal, and its European and German subsidiary. On September 20, 2010, we filed a patent infringement action in Germany. In response, Fenwal filed an action to invalidate the Haemonetics patent which is the subject of this infringement action on December 1, 2010.

ITEM 4. MINE SAFETY DISCLOSURES

None

ITEM 4A. EXECUTIVE OFFICERS

Executive Officers of the Registrant

The information concerning our Executive Officers is as follows. Executive officers are elected by and serve at the discretion of our Board of Directors. There are no family relationships between any director or executive officer and any other director or executive officer of Haemonetics Corporation.

PETER ALLEN (age 54), President, Global Plasma joined Haemonetics in 2003 as President of the Donor Division. In March 2008, Mr. Allen was appointed Chief Marketing Officer. In October 2011, he was promoted to President of Global Plasma. Prior to joining Haemonetics, Mr. Allen was Vice President of The Aethena Group, a private equity firm providing services to the global healthcare industry. From 1998 to 2001, he held various positions including Vice President of Sales and the Oncology Business at Syncor International, a provider of radiopharmaceutical and comprehensive medical imaging services. Previously, Mr. Allen held executive level positions in sales, marketing, and operations in DataMedic, Inc., Enterprise Systems, Inc./HBOC, and Robertson Lowstuter, Inc. Mr. Allen has also worked in sales and marketing at American Hospital Supply Corporation and Baxter International, Inc.

BRIAN CONCANNON (age 55), President and Chief Executive Officer joined Haemonetics in 2003 as President of the Patient Division. He was promoted to President of Global Markets in 2006 and then to Chief Operating Officer in 2007. In April 2009, he was promoted to President and Chief Executive Officer, and elected to the Haemonetics Board of Directors. Immediately prior to joining Haemonetics, Mr. Concannon was President of the Northeast Region at Cardinal Health Medical Products and Services where he was employed since 1998. From 1985 to 1998, he was employed by American Hospital Supply Corporation, Baxter Healthcare Corporation, and Allegiance Healthcare in a series of sales and operations management positions of increasing responsibility.

SUSAN HANLON (age 45), Vice President Finance and Chief Accounting Officer joined our Company in 2002 as Vice President and Corporate Controller. In 2004, she was promoted to Vice President Planning and Control, and in 2008, Ms. Hanlon was promoted to Vice President Finance. She presently has responsibility for Controllershship, Financial Planning, Tax, and Treasury. Prior to joining Haemonetics, Ms. Hanlon was a partner with Arthur Andersen LLP in Boston.

DAVID HELSEL (age 49) Executive Vice President, Global Manufacturing joined Haemonetics as Vice President of Global Manufacturing in March 2012, and is responsible for worldwide oversight of the Company's manufacturing and supply chain organizations. Mr. Helsel was previously with Covidien, Ltd. for 16 years, where he most recently was Vice President of Operations for the Surgical Solutions global business unit. During his tenure with Covidien, his previous roles included Vice President of Operations for the Medical Supplies segment and Global Director of Operational Excellence – Manufacturing. Mr. Helsel holds a Bachelor of Science degree in Mechanical Engineering from LeTourneau University.

SANDRA JESSE (age 60) Chief Legal Officer joined Haemonetics as Vice President, Chief Legal Officer in September 2011, and is responsible for the company's world-wide Legal, Compliance and Corporate Audit and Controls groups. Ms. Jesse was previously the Executive Vice President and Chief Legal Officer of Blue Cross Blue Shield of Massachusetts, a Partner in the Boston law firm of Choate, Hall and Stewart, and Press Secretary for United States Congressman, Lee Hamilton. She has served on a number of Boards of Directors, including the New England Legal Foundation, Longy School of Music, Boston Harbor Island Alliance and the Landmark School. Ms. Jesse is a former President of the Boston Bar Foundation.

MICHAEL KELLY (age 49) President, Global Markets, joined Haemonetics in 2010 as President of North America and the Global Plasma business. In 2011, his responsibilities expanded to include the Software and Global Marketing functions and his title changed to President of North America. In June of 2012, Mr. Kelly was promoted to President of Global Markets in charge of overseeing all of the Sales and Marketing activities for our Donor, Patient, and Software products globally, as well as the Global Marketing function. Prior to joining Haemonetics, he was Senior Vice President and General Manager of Infection Prevention for CareFusion Corporation. Mr. Kelly spent several years with Cardinal Health in a variety of general management, marketing, business development, and sales positions. He began his career with Baxter Healthcare as a Sales Representative in 1991.

CHRISTOPHER LINDOP (age 55) Executive Vice President, Business Development and Chief Financial Officer joined Haemonetics in January of 2007 as Chief Financial Officer. In 2007, Mr. Lindop assumed responsibility for business development. Prior to joining Haemonetics, he was Chief Financial Officer at Inverness Medical Innovations, a rapidly growing global developer of advanced consumer and professional diagnostic products from 2003 to 2006. Prior to this, Mr. Lindop was a Partner in the Boston offices of Ernst & Young LLP and Arthur Andersen LLP.

KATHLEEN MCDANIEL (age 49) Executive Vice President, Global Human Resources joined Haemonetics in March 2013 as EVP, Global Human Resources. Ms. McDaniel most recently served as worldwide VP of Human Resources for DePuy Synthes, a Johnson & Johnson Company. Prior to Depuy, Ms. McDaniel was an Executive Vice President at Fleet Credit Card Services. She has over 25 years of broad global HR leadership experience having held executive, senior human resources generalist and compensation positions at leading computer and financial services companies.

WARREN NIGHAN (age 44) Executive Vice President, Quality Assurance and Regulatory Assurance joined Haemonetics in November of 2010 as Vice President of Worldwide Quality & Regulatory Affairs. Mr. Nighan previously served as Vice President of Quality & Regulatory for St. Jude Medical in Minneapolis, Minnesota. Prior to that, he held numerous roles of increasing responsibility in quality and regulatory affairs at Covidien, Tyco Healthcare, and Kendall Healthcare. Mr. Nighan holds a bachelor's degree in nursing from Northeastern University.

DR. JONATHAN WHITE (age 53) Chief Science and Technology Officer joined Haemonetics in 2008 as Vice President of Research and Development. Dr. White joined Haemonetics from Pfizer where he held a number of roles including Chief Information Officer. He previously worked at McKinsey and Company in New York. Dr. White is a Fellow of the Royal College of Surgery in England.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the New York Stock Exchange under the symbol HAE. The following table sets forth for the periods indicated the high and low sales prices of such common stock, which represent actual transactions as reported by the New York Stock Exchange. On November 30, 2012 the Company completed a two-for-one split of its common stock in the form of a stock dividend. Unless otherwise indicated, all common stock shares and per share information referenced below have been retroactively adjusted to reflect the stock split. The exercise price of each outstanding option has also been proportionately and retroactively adjusted for all periods presented. Par value per share and authorized shares were however not affected by the stock split.

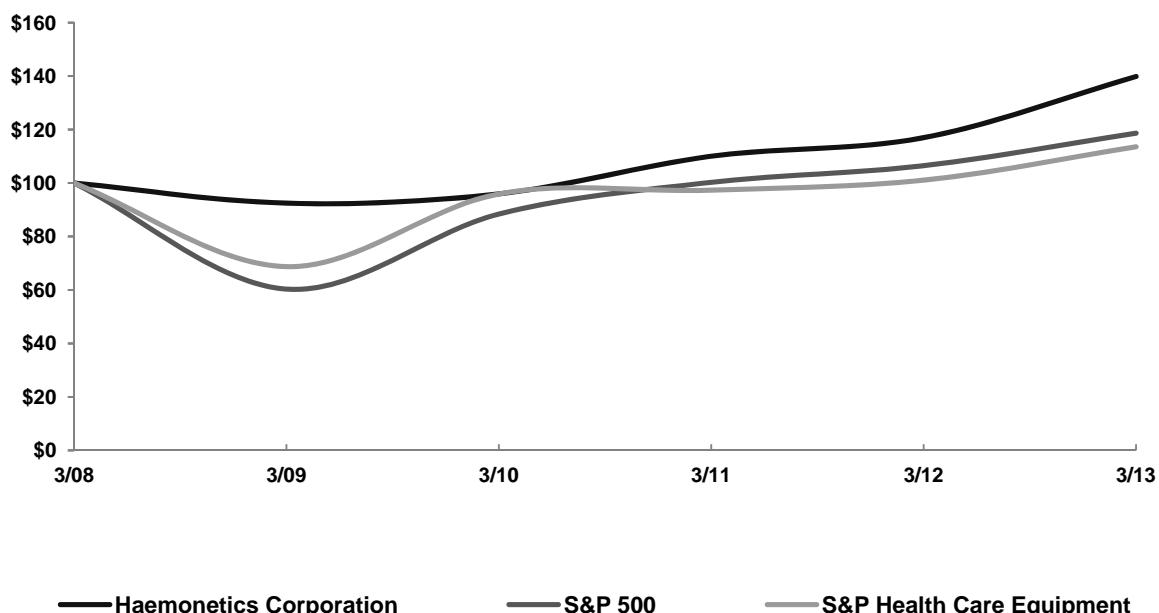
	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
<i>Fiscal year ended March 30, 2013:</i>				
Market price of Common Stock:				
High	\$ 37.06	\$ 40.70	\$ 41.38	\$ 44.44
Low	\$ 33.44	\$ 34.32	\$ 38.92	\$ 40.78
<i>Fiscal year ended March 31, 2012:</i>				
Market price of Common Stock:				
High	\$ 35.10	\$ 34.59	\$ 32.29	\$ 35.16
Low	\$ 31.21	\$ 28.02	\$ 27.50	\$ 30.92

There were approximately 272 holders of record of the Company's common stock as of March 30, 2013. The Company has never paid cash dividends on shares of its common stock and does not expect to pay cash dividends in the foreseeable future.

The following graph compares the cumulative 5-year total return provided to shareholders on Haemonetics Corporation's common stock relative to the cumulative total returns of the S&P 500 index and the S&P Health Care Equipment index. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in our common stock and in each of the indexes on 3/29/2008 and its relative performance is tracked through 3/30/2013.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Haemonetics Corporation, the S&P 500 Index, and the S&P Health Care Equipment Index



*\$100 invested on 3/29/08 in stock or index, including reinvestment of dividends.
Fiscal year ending March 30.

* \$100 invested on 3/29/08 in stock or index, including reinvestment of dividends.
Fiscal year ended March 30.

	3/08	3/09	3/10	3/11	3/12	3/13
Haemonetics Corporation	100.00	92.45	95.94	110.00	116.95	139.85
S&P 500	100.00	60.32	88.41	100.24	106.48	118.64
S&P Health Care Equipment	100.00	68.74	95.94	97.34	101.08	113.56

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Unregistered Sales of Equity Securities and Use of Proceeds

In the August 1, 2012 press release, the Company announced that its Board of Directors approved the repurchase of up to \$50.0 million worth of Company shares during fiscal year 2013. During the three months ended March 30, 2013, the Company repurchased 694,644 shares of its common stock for an aggregate purchase price of \$28.8 million. We reflect stock repurchases

in our financial statements on a trade date basis and as Authorized Unissued. Haemonetics is a Massachusetts company and under Massachusetts law repurchased shares are treated as authorized but unissued, rather than treasury shares.

All of the purchases during the quarter were made under the publicly announced program. All purchases were made in the open market.

Period	Total Number of Shares Repurchased	Average Price Paid per Share including Commissions	Total Dollar Value of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
12/30/2012-1/26/2013	160,365	\$ 41.81	\$ 6,704,229	\$ 22,133,953
1/27/2013-2/23/2013	291,650	\$ 41.54	\$ 12,114,521	\$ 10,019,432
2/24/2013-3/30/2013	242,629	\$ 41.30	\$ 10,019,432	\$ —
Total	<u>694,644</u>	<u>\$ 41.52</u>	<u>\$ 28,838,182</u>	

ITEM 6. SELECTED FINANCIAL DATA
Haemonetics Corporation and Subsidiaries Five-Year Review

(In thousands, except per share and employee data)	2013	2012	2011	2010	2009
Summary of Operations					
Net revenues	\$ 891,990	\$ 727,844	\$ 676,694	\$ 645,430	\$ 597,879
Cost of goods sold	463,859	358,604	321,485	307,949	289,709
Gross profit	428,131	369,240	355,209	337,481	308,170
Operating expenses:					
Research and development	44,394	36,801	32,656	26,376	23,859
Selling, general and administrative	323,053	245,261	213,899	214,483	198,744
Contingent consideration income	—	(1,580)	(1,894)	(2,345)	—
Asset write-down	4,247	—	—	15,686	—
Total operating expenses	371,694	280,482	244,661	254,200	222,603
Operating income	56,437	88,758	110,548	83,281	85,567
Other income (expense), net	(6,540)	740	(467)	(2,010)	(565)
Income before provision for income taxes	49,897	89,498	110,081	81,271	85,002
Provision for income taxes	11,097	22,612	30,101	22,901	25,698
Net income	38,800	66,886	79,980	58,370	59,304
Income per share:					
Basic	\$ 0.76	\$ 1.32	\$ 1.59	\$ 1.15	\$ 1.17
Diluted	\$ 0.74	\$ 1.30	\$ 1.56	\$ 1.12	\$ 1.13
Weighted average number of shares	51,349	50,727	50,154	50,902	50,778
Common stock equivalents	910	863	1,038	1,224	1,568
Weighted average number of common and common equivalent shares	52,259	51,590	51,192	52,126	52,346
Financial and Statistical Data:					
Working capital	\$ 416,866	\$ 396,385	\$ 340,160	\$ 250,888	\$ 289,530
Current ratio	3.3	4.0	4.1	2.9	4.1
Property, plant and equipment, net	\$ 256,953	\$ 161,657	\$ 155,528	\$ 154,313	\$ 137,807
Capital expenditures	\$ 62,188	\$ 53,198	\$ 46,669	\$ 56,304	\$ 56,379
Depreciation and amortization	\$ 65,481	\$ 49,966	\$ 48,145	\$ 43,236	\$ 36,462
Total assets	\$ 1,461,917	\$ 911,135	\$ 833,264	\$ 760,928	\$ 649,693
Total debt	\$ 480,094	\$ 3,771	\$ 4,879	\$ 20,520	\$ 6,038
Stockholders' equity	\$ 769,182	\$ 732,631	\$ 686,136	\$ 593,124	\$ 539,884
Debt as a % of stockholders' equity	62.4%	0.5%	0.7%	3.5%	1.1%
Employees	3,563	2,337	2,201	2,327	2,016

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Business

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

Our medical device systems provide both automated collection and processing of blood components, 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 operate only with our specialized devices. 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 manual blood collection and filtration systems enable the manual collection of all blood components and detect bacteria in whole blood derived platelets, thus reducing the risks of infection through transfusion. 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.

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

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

Recent developments

On August 1, 2012 we completed the acquisition of the business assets of the blood collection, filtration and processing product lines of Pall Corporation. We paid a total of \$535.2 million in cash consideration. The acquisition was funded utilizing \$475.0 million of loans and the remainder from cash on hand. The blood processing systems and equipment acquired are for use in transfusion medicine and include manufacturing facilities in Covina, California; Tijuana, Mexico; Ascoli, Italy and a portion of Pall's assets in Fajardo, Puerto Rico. Approximately 1,300 employees transferred to Haemonetics. We anticipate paying an additional \$15.0 million upon the replication and delivery of certain manufacturing assets of Pall's filter media business to Haemonetics by 2016. Until that time, Pall will manufacture and sell filter media to Haemonetics under a supply agreement.

On April 30, 2013, we completed the acquisition of the business assets of Hemerus Medical, LLC, a Minnesota-based company that develops innovative technologies for the collection of whole blood and processing and storage of blood components. We have paid \$24.0 million for Hemerus as of May 2013 and have committed to payment of an additional \$3.0 million contingent upon receipt of an additional FDA approval. Additionally, up to \$14.0 million will be paid based on future sales of SOLX-based products achieved within the next 10 years.

Market Trends

Plasma Market

Changes in demand for plasma-derived pharmaceuticals, particularly immunoglobulin ("IG"), are the key driver of plasma collection volumes in the commercial plasma market. Various factors related to the supply of plasma and the production of plasma-derived pharmaceuticals also affect collection volume, including the following:

- Industry consolidation continues among plasma collectors and fractionators. As customers become more vertically integrated, the number of centers served, and collections at those centers, can change. Consolidation can also impact the choice in plasma collection system used to perform some or all of those collections.
- Several blood collectors supply additional plasma to fractionators, and thus collection volumes can rise overall but not directly impact our commercial plasma business.

- The newer plasma fractionation facilities are more efficient in their production processes, helping companies meet growing demand for pharmaceuticals without requiring an equivalent increase in plasma supply.
- Reimbursement guidelines affect the demand for end product pharmaceuticals, although off-label use of pharmaceuticals is growing, in particular for Alzheimer's treatment.
- Newly approved indications for, and the growing understanding and thus diagnosis of auto-immune diseases treated with plasma derived therapies increase the demand for plasma, as do longer lifespans and a growing aging patient population.
- Geographical expansion of biopharmaceuticals also increases demand for plasma.

Demand for plasma in fiscal 2013 was particularly strong in North America where approximately two-thirds of commercial plasma is collected. Global markets for plasmapheresis have been relatively flat, with U.S. produced plasma meeting an increasing percentage of plasma volume demand worldwide.

Blood Center Market

In the blood center market, we sell products used in the collection of platelets, red cells and whole blood. Whole blood is collected from the donor and then transported to a laboratory where it is separated into its components: red cells, platelets and/or plasma.

Despite modest increases in the demand for platelets in Europe and Japan, improved collection efficiencies that increase the yield of platelets per collection and more efficient use of collected platelets have resulted in a flat market for automated collections and related disposables in these countries. With changes in healthcare and social security systems in emerging markets, a larger number of people get access to state of the art medical treatments, which drives the demand for platelet transfusions and represent a faster growing market.

Demand for red cells has declined modestly in mature markets due to the development of less invasive, lower blood loss medical procedures and blood management. Highly populated emerging market countries are increasing their demand for blood as they are advancing their health care coverage, and as greater numbers of people gain access to more advanced medical treatment, demand for blood components, including red cells increases directly.

Hospital Market

In the hospital market, we sell cardiovascular surgical blood salvage systems, orthopedic surgical blood salvage systems, and a blood diagnostics instrument.

Our Cell Saver brand surgical blood salvage system was designed as a solution for rapid, high volume blood loss procedures, such as cardiovascular surgeries. Since the 2012 introduction of the Cell Saver Elite, we have seen growth from emerging markets due to increased access to healthcare and we have also had growth in mature markets.

Our OrthoPAT technology is used to salvage red cells in high blood loss orthopedic procedures, including hip and knee replacement surgeries. The OrthoPAT is the only system on the market designed to collect, separate and wash a patient's shed blood both during and after surgery. While cell salvage is not yet a standard of care for U.S. orthopedic procedures, we position this device as an effective alternative to stored red cells (both autologous predonated and allogeneic) and non-washed autotransfusion systems. Particularly in the United States, hip and knee replacement surgeries are frequently elective surgeries and as a result are subject to change in economic conditions.

Our TEG Thrombelastograph Hemostasis Analyzer is a diagnostic tool which provides a comprehensive assessment of a patient's overall hemostasis. The benefit is that this information enables caregivers to decide the best blood-related clinical treatment for the individual patient in order to minimize blood loss and reduce incidence of "reoperations". The test is expanding beyond cardiac surgery into trauma, as well as helping manage surgical timing of patients on anti-platelet medications. TEG product line sales further strengthened in fiscal 2013. This product's growth is dependent on hospitals adopting this technology as a standard practice in their blood management programs.

Software Market

Our software solutions portfolio addresses many of the critical data collection and data management needs within the plasma, blood center, and hospital markets and is also a key component of our blood management solutions today. In fiscal 2013, the pressures to improve efficiencies, reduce cost, and improve patient outcomes continued to be key drivers in all three markets.

Demand for our plasma software solution declined in fiscal 2013 as a sub-segment of this market has or intends to migrate towards homegrown proprietary software solutions in an effort to gain unique competitive advantages.

In the blood center market for software, we currently participate most actively in the United States, where expansion to new or emerging technology platforms such as our El Dorado Software Solution Suite has been slow due to industry consolidation and the relatively high cost and management focus required to migrate to new information technology platforms. This trend has limited revenue growth but the high switching costs noted and recurring maintenance revenue streams from existing products has provided relative revenue stability in this segment.

We currently participate in the hospital markets for software primarily in the United States and Europe. In the United States we have experienced growth in our installed base for our blood banking solution, SafeTraceTX, due to demand for reliable, proven safety systems within blood banks. However, growth has been constrained recently due to hospital IT organization focus on the electronic medical records mandate. Revenues from BloodTrack, a blood inventory and transfusion management system, have increased in the United States and Europe recently as hospitals seek means to improve efficiencies and meet compliance guidelines for tracking and dispositioning blood components to patients.

Financial Summary

<i>(In thousands, except per share data)</i>	March 30, 2013	March 31, 2012	April 2, 2011	% Increase/ (Decrease) 13 vs. 12	% Increase/ (Decrease) 12 vs. 11
Net revenues	\$ 891,990	\$ 727,844	\$ 676,694	22.6 %	7.6 %
Gross profit	\$ 428,131	\$ 369,240	\$ 355,209	15.9 %	4.0 %
<i>% of net revenues</i>	48.0%	50.7%	52.5%		
Operating expenses	\$ 371,694	\$ 280,482	\$ 244,661	32.5 %	14.6 %
Operating income	\$ 56,437	\$ 88,758	\$ 110,548	(36.4)%	(19.7)%
<i>% of net revenues</i>	6.3%	12.2%	16.3%		
Other income (expense), net	\$ (6,540)	\$ 740	\$ (467)		
Income before taxes	\$ 49,897	\$ 89,498	\$ 110,081	(44.2)%	(18.7)%
Provision for income tax	\$ 11,097	\$ 22,612	\$ 30,101	(50.9)%	(24.9)%
<i>% of pre-tax income</i>	22.2%	25.3%	27.3%		
Net income	\$ 38,800	\$ 66,886	\$ 79,980	(42.0)%	(16.4)%
<i>% of net revenues</i>	4.3%	9.2%	11.8%		
Earnings per share-diluted	\$ 0.74	\$ 1.30	\$ 1.56	(43.1)%	(16.7)%

Our fiscal year ends on the Saturday closest to the last day of March. Fiscal 2013, 2012 and 2011 each included 52 weeks with each quarter having 13 weeks.

Net revenue for fiscal 2013 increased 22.6% compared to fiscal 2012. Without the effects of foreign exchange, net revenue increased 22.2% compared to fiscal 2012. This increase includes sales from the recently acquired whole blood business of \$138.4 million for the fiscal year ended March 30, 2013. The remaining increase for the fiscal year ended March 30, 2013 is primarily due to revenue growth from our plasma, surgical and diagnostics products. Fiscal 2012 revenue benefited from purchases by the Japan Red Cross (“JRC”) in March 2012 to avoid future supply disruptions in anticipation of an internal business system conversion, negatively impacting fiscal year ended March 30, 2013.

Net revenue for fiscal 2012 increased 7.6% compared to fiscal 2011. Without the effects of foreign exchange, net revenue increased 5.6% over fiscal 2011. The increase reflects strong revenue growth from our plasma, blood center, diagnostics businesses and increased equipment and software sales, offset by declines due to a recall of certain OrthoPAT devices. As mentioned above, fiscal 2012 revenue growth also benefited from purchases by the Japanese Red Cross in March 2012.

During fiscal 2013, operating income decreased 36.4% compared to fiscal 2012. Without the effects of foreign currency, operating income decreased 43.7% compared to fiscal 2012 as increased gross profit due to revenue growth was more than offset by higher costs of goods sold due to acquisition-related step-up in the value of acquired inventory. Also contributing to the decrease in operating income was a \$7.0 million inventory reserve for a quality matter involving a component of our whole blood disposable inventory which occurred in the third quarter of fiscal 2013 and higher operating expenses including significant acquisition and integration costs totaling \$37.3 million.

During fiscal 2012, operating income decreased 19.7% compared to fiscal 2011. Without the effects of foreign currency, operating income decreased 20.4% over fiscal 2011 as increases in operating expenses more than offset gross profit associated with revenue growth due to higher costs of quality, relatively higher sales of our lower-margin products, expenses associated with European customer claims arising from a quality matter with HS Core, and transaction costs.

Net income decreased 42.0% during fiscal 2013. Without the effects of foreign exchange, net income decreased 49.9% for fiscal 2013. The decrease in net income was attributable to the decrease in operating income described above and additional interest expense.

Net income decreased 16.4% during fiscal 2012. Without the effects of foreign exchange, net income decreased 18.1% for fiscal 2012. The decrease in net income was attributable to the decline in operating income described above.

RESULTS OF OPERATIONS

Net Revenues by Geography

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011	% Increase/ (Decrease) 13 vs. 12	% Increase/ (Decrease) 12 vs. 11
United States	\$ 454,874	\$ 352,160	\$ 317,355	29.2 %	11.0 %
International	437,116	375,684	359,339	16.4 %	4.5 %
Net revenues	\$ 891,990	\$ 727,844	\$ 676,694	22.6%	7.6%

International Operations and the Impact of Foreign Exchange

Our principal operations are in the U.S., Europe, Japan and other parts of Asia. Our products are marketed in more than 97 countries around the world through a combination of our direct sales force and independent distributors and agents.

Our revenue generated outside the U.S. approximated 49.0%, 51.6%, and 53.1% of net revenue during fiscal 2013, 2012, and 2011, respectively. During fiscal 2013, 2012, and 2011, revenue in Japan accounted for approximately 13.5%, 17.1%, and 16.3%, respectively, of our total revenue. Revenue from Europe accounted for approximately 25.2%, 25.2%, and 27.6% of our total revenue for fiscal 2013, 2012, and 2011, respectively. International sales are generally conducted in local currencies, primarily the Japanese Yen and the Euro. Our results of operations are impacted by changes in foreign exchange rates, particularly in the value of the Yen and the Euro relative to the U.S. Dollar.

For fiscal 2013 as compared to fiscal 2012, the effects of foreign exchange resulted in a 0.4% increase in sales. For fiscal 2012 as compared to fiscal 2011, the effects of foreign exchange accounted for a 2.0% increase in sales.

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

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011	% Increase/ (Decrease) 13 vs. 12	% Increase/ (Decrease) 12 vs. 11
Disposables	\$ 757,765	\$ 594,933	\$ 551,836	27.4 %	7.8 %
Software solutions	69,952	70,557	66,876	(0.9)%	5.5 %
Equipment & other	64,273	62,354	57,982	3.1 %	7.5 %
Net revenues	\$ 891,990	\$ 727,844	\$ 676,694	22.6 %	7.6%

Disposables Revenues by Product Type

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011	% Increase/ (Decrease) 13 vs. 12	% Increase/ (Decrease) 12 vs. 11
Plasma disposables	\$ 268,900	\$ 258,061	\$ 227,209	4.2 %	13.6 %
Blood center disposables					
Platelet	169,602	167,946	156,251	1.0 %	7.5 %
Red cell	49,733	48,034	46,828	3.5 %	2.6 %
Whole blood	138,436	—	—	100.0 %	— %
	357,771	215,980	203,079	65.7 %	6.4 %
Hospital disposables					
Surgical	73,508	66,619	66,503	10.3 %	0.2 %
OrthoPAT	30,230	31,186	35,631	(3.1)%	(12.5)%
Diagnostics	27,356	23,087	19,414	18.5 %	18.9 %
	131,094	120,892	121,548	8.4 %	(0.5)%
Total disposables revenue	\$ 757,765	\$ 594,933	\$ 551,836	27.4%	7.8 %

Disposables Revenue

Disposables include the Plasma, Blood Center, and Hospital product lines. Disposable revenue increased 27.4% during fiscal 2013 and 7.8% during fiscal 2012. Without the effect of foreign exchange, disposable revenue increased 26.8% and 5.7% for fiscal 2013 and 2012, respectively.

Plasma

Plasma disposable revenue increased 4.2% during fiscal 2013. Without the effects of foreign exchange, plasma disposable revenue increased 4.5% during fiscal 2013 compared to fiscal 2012. Plasma revenue primarily increased due to higher revenue from commercial fractionation customers in the United States, with increased collections more than offsetting price reductions in contract renewals completed in fiscal 2012.

Plasma disposable revenue increased 13.6% during fiscal 2012. Without the effects of foreign exchange, plasma disposable revenue increased 12.7% during fiscal 2012 primarily due to increased plasma collections by our commercial fractionation customers in the United States.

Blood Center

Blood Center consists of disposables used to collect platelets, red cells, whole blood and plasma for transfusion.

Platelet

Platelet disposable revenue increased 1.0% during fiscal 2013. Without the effect of foreign exchange, platelet disposable revenue increased 1.0% during fiscal 2013 resulting from continued growth in emerging markets which more than offset declines in mature markets, notably Japan. Revenue growth in Japan was lower due to increased sales resulting from quality issues experienced with a competitor's device in the prior year, and the negative impact of the JRC's purchases in March 2012 to avoid future supply disruptions in anticipation of an internal system conversion.

Platelet disposable revenue increased 7.5% during fiscal 2012. Without the effect of foreign exchange, platelet disposable revenue increased 2.5% during fiscal 2012. The increase included the benefit of quality issues experienced with a competitor's device in Japan, increased sales in emerging markets, and purchases by the Japanese Red Cross in March 2012 to avoid future supply disruptions in anticipation of an internal business system conversion.

Red Cell

Red cell disposable revenue increased 3.5% during fiscal 2013. Without the effects of foreign exchange, red cell disposable revenue increased 3.8% during fiscal 2013, due primarily to favorable order timing in North America in the fourth quarter of fiscal 2013. We do not expect material growth in red cell revenue as market trends indicate improved blood management procedures in hospitals are reducing demand for red cells in mature markets.

Red cell disposable revenue increased 2.6% during fiscal 2012. Without the effects of foreign exchange, red cell disposable revenue increased 2.6% during fiscal 2012, driven primarily by increased account penetration at existing customers for red cells in North America.

Whole Blood

Whole blood disposable revenue was \$138.4 million for the fiscal year ended March 30, 2013, representing sales of products from the whole blood acquisition completed on August 1, 2012. In March 2013, we failed to receive renewal of a European tender that will negatively impact fiscal 2014 revenue. Annual sales under this contract were \$12.2 million. Gross margin on whole blood sales to this customer is substantially lower than our average gross margin on the whole blood or other disposable sales.

Hospital

Hospital consists of Surgical, OrthoPAT, and Diagnostics products. The hospital product line includes the following brand platforms: the Cell Saver brand, the TEG brand, the OrthoPAT brand and the cardioPAT brand.

Surgical

Surgical disposable revenue consists principally of the Cell Saver and cardioPAT products. Revenue from our surgical disposables increased 10.3% during fiscal 2013. Without the effect of foreign exchange, surgical disposable revenue increased 8.4% during fiscal 2013, with revenue growth realized across all markets we serve. We achieved growth from market

acceptance of Cell Saver Elite in the U.S., Europe and Japan, while emerging market growth was realized through increased commercial presence in emerging markets such as China. Surgical revenue also benefited from market share gains due to limited product availability from our primary competitor due to a now resolved supply chain disruption following a natural disaster in Europe.

Revenue from our surgical disposables increased 0.2% during fiscal 2012. Without the effect of foreign exchange, surgical disposables revenue decreased 2.2% for fiscal 2012, due to competitive pressures and a decrease in demand across our European and North American markets associated with lower surgical volumes. During fiscal 2012, we introduced the Cell Saver Elite, our next generation surgical device, first in North America and then across all geographies.

OrthoPAT

Revenue from our OrthoPAT disposables decreased 3.1% during fiscal 2013. Without the effect of foreign exchange, OrthoPAT disposables revenue decreased by 3.8% primarily due to lower sales in the United States as device utilization by smaller hospitals has declined following the voluntary recall of the OrthoPAT device in fiscal 2012.

Revenue from our OrthoPAT disposables decreased 12.5% during fiscal 2012. Without the effect of foreign exchange, OrthoPAT disposables revenue decreased by 13.4%, also as a result of the voluntary recall of our OrthoPAT devices during the first quarter of fiscal 2012.

Diagnostics

Diagnostics product revenue consists of the TEG products. Revenues from TEG consumers increased 18.5% during fiscal 2013. Without the effect of foreign exchange, diagnostic product revenue increased by 17.0%. The revenue increase is due to continued adoption of our TEG analyzer, principally in the United States and China.

Revenue from our diagnostics products increased 18.9% during fiscal 2012. Without the effect of foreign exchange, diagnostic product revenue increased by 19.2%. The revenue increase is due to continued adoption of our TEG analyzer, including expansion with North American hospitals and sales growth in China.

Other Revenues

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011	% Increase/ (Decrease) 13 vs. 12	% Increase/ (Decrease) 12 vs. 11
Software solutions	\$ 69,952	\$ 70,557	\$ 66,876	(0.9)%	5.5 %
Equipment and other	64,273	62,354	57,982	3.1 %	7.5 %
Net other revenues	\$ 134,225	\$ 132,911	\$ 124,858	1.0 %	6.4%

Software Solutions

Our software solutions revenue includes sales of our information technology software platforms and consulting services.

Software solutions revenue decreased 0.9% during fiscal 2013. Without the effects of foreign exchange, software solutions revenue increased 0.2% during fiscal 2013. Installed base growth in hospital-based solutions SafeTraceTX and BloodTrack was offset by declines in plasma software revenue.

Software solutions revenue increased 5.5% during fiscal 2012. Without the effects of foreign exchange, software solutions revenue increased 4.7% during fiscal 2012. The increase is primarily due to installed base growth in our SafeTraceTX and BloodTrack products.

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 revenue increased 3.1% during fiscal 2013. Without the effect of currency exchange, equipment and other revenue increased 3.2%. The increase is due primarily to higher TEG equipment sales in China and higher surgical equipment sales across multiple markets.

Equipment and other revenue increased 7.5% during fiscal 2012. Without the effect of currency exchange, equipment and other revenue increased 5.2% driven by higher equipment sales in Europe, Asia and Japan, and the launch of the Cell Saver Elite device.

Gross Profit

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011	% Increase/ (Decrease) 13 vs. 12	% Increase/ (Decrease) 12 vs. 11
Gross profit	\$ 428,131	\$ 369,240	\$ 355,209	15.9%	4.0%
% of net revenues	48.0%	50.7%	52.5%		

Our gross profit increased 15.9% during fiscal 2013. Without the effects of foreign exchange, gross profit increased 13.8% during fiscal 2013. Our gross profit margin percentage decreased by 270 basis points for fiscal 2013 as compared to fiscal 2012. The decrease in gross profit margin for the fiscal year ended March 30, 2013 includes \$11.9 million of costs of goods sold related to the increase in fair value of acquisition-related whole blood inventory acquired from Pall as well as an approximately \$7.0 million inventory reserve recorded related to a quality matter. This reserve related to the removal of affected whole blood collection sets from inventory for destruction or rework based on a quality matter detected 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. We will pursue all available means of financial recovery related to this inventory loss. However, no salvage or recovery value from these efforts was recorded as we cannot currently conclude whether a favorable outcome will result.

Additionally, the decrease in gross profit margin included the combined impact of whole blood disposable sales, as whole blood gross margins are lower than average gross margins for our complete product line. This was partially offset by reduced equipment depreciation expense as a result of a change in estimated useful lives implemented during the year ended March 30, 2013. The effect of this change in estimate was a reduction of depreciation expense in fiscal 2013 by \$4.5 million, an increase in income net of tax of \$3.3 million and an increase in basic and diluted earnings per share of \$0.09.

Our gross profit amount increased 4.0% during fiscal 2012. Without the effects of foreign exchange, gross profit increased 1.5%. Our gross profit margin percentage decreased by 180 basis points for fiscal 2012 as compared to fiscal 2011. The decrease was primarily due to increased product quality costs, the mix of sales among our various product lines, and higher freight costs. The increased product quality costs included the sale of a higher cost substitute product for certain European plasma customers affected by the HS Core quality matter. The relatively lower sales of our higher gross margin hospital products and higher sales of our lower gross margin plasma disposables also reduced our overall gross profit.

Operating Expenses

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011	% Increase/ (Decrease) 13 vs. 12	% Increase/ (Decrease) 12 vs. 11
Research and development	\$ 44,394	\$ 36,801	\$ 32,656	20.6 %	12.7 %
% of net revenues	5.0%	5.1 %	4.8 %		
Selling, general and administrative	\$ 323,053	\$ 245,261	\$ 213,899	31.7 %	14.7 %
% of net revenues	36.2%	33.7 %	31.6 %		
Contingent consideration income	\$ —	\$ (1,580)	\$ (1,894)	(100.0)%	(16.6)%
% of net revenues	—%	(0.2)%	(0.3)%		
Asset write-downs	\$ 4,247	\$ —	\$ —	— %	— %
% of net revenues	0.5%	— %	— %		
Total operating expenses	\$ 371,694	\$ 280,482	\$ 244,661	32.5 %	14.6 %
% of net revenues	41.7%	38.5 %	36.2 %		

Research and Development

Research and development increased 20.6% during fiscal 2013. This increase is primarily due to additional staff and program spending related to the whole blood acquisition and related product initiatives, as well as a general increase in development programs to support long-term product plans and increase our competitiveness.

Research and development increased 12.7% during fiscal 2012, with an immaterial effect of foreign exchange. The increase was primarily related to the general increase in development programs in support of long-term product plans and near-term quality improvements.

Selling, General and Administrative

During fiscal 2013, selling, general and administrative expenses increased 31.7%. Without the effects of foreign exchange, selling, general and administrative expenses increased 30.6% during fiscal 2013. This increase includes acquisition and integration expenses associated with the whole blood acquisition of \$37.3 million compared to approximately \$3.0 million of whole blood transaction costs incurred in fiscal 2012. We also incurred approximately \$35.2 million of expenses from the whole blood business following the August 1, 2012 acquisition. The remainder of the growth is related to investments in the global sales organization, particularly emerging markets, and information technology infrastructure to support increased revenue levels. We also incurred higher incentive compensation this fiscal year as financial performance versus established financial targets improved as compared to fiscal 2012.

During fiscal 2012, selling, general and administrative expenses increased 14.7%. Without the effects of foreign exchange, selling, general and administrative expenses increased 11.8% during fiscal 2012. The increase was attributable to \$3.1 million of expenses, net of insurance recovery, associated with European customer claims arising from a quality matter with HS Core, \$3.0 million of transaction costs related to the definitive purchase agreements with Pall Corporation and Hemerus Medical, LLC, \$2.2 million of higher restructuring charges, increased investment in our worldwide sales and marketing organizations, and higher bonus expense.

Contingent Consideration Income

Under the accounting rules for business combinations, we established a liability for payments that we might make in the future to former shareholders of Neoteric that are tied to the performance of the BloodTrack business for the first three years post acquisition, beginning with fiscal 2010. During fiscal 2012 and 2011, this business did not achieve the necessary revenue growth milestones for the former shareholders to receive additional performance payments. As such, we reduced the contingent liability by \$1.6 million and \$1.9 million during fiscal 2012 and 2011, respectively, and recorded the adjustments as contingent consideration income in the consolidated statements of income.

In September 2011, we entered into an agreement which released the Company from the contingent consideration due to the former shareholders of Neoteric. Under the terms of the agreement, the former shareholders of Neoteric received \$0.7 million in exchange for releasing the Company from any future claims for contingent consideration. The Company paid the \$0.7 million settlement amount during September 2011 and recorded the associated expense in the selling, general and administrative line item in the accompanying consolidated statements of income.

Asset Write-Down

We recorded an asset write-down of \$4.2 million in the fourth quarter of fiscal 2013 associated with exiting activities related to technologies originally acquired from Arryx, Inc.

Other income (expense), net

Other expense, net, increased during fiscal 2013 as compared to the same periods of fiscal 2012 primarily due to \$6.4 million of incremental interest expense from the \$475.0 million term loan borrowed in connection with the whole blood acquisition.

We reported in other income in fiscal 2012 the reversal of interest on contingent consideration.

Taxes

	March 30, 2013	March 31, 2012	April 2, 2011	% Increase/ (Decrease) 13 vs. 12	% Increase/ (Decrease) 12 vs. 11
Reported income tax rate	22.2%	25.3%	27.3%	(3.1)%	(2.0)%

Reported Tax Rate

The change in our reported tax rate for fiscal year 2013, as compared to 2012 and 2011 relates primarily to the geographic distribution of income as well as the impact of the resolution of uncertain tax positions resulting from the expiration of the statute of limitations for assessing tax in certain jurisdictions.

Liquidity and Capital Resources

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

<i>(In thousands)</i>	March 30, 2013	March 31, 2012
Cash & cash equivalents	\$ 179,120	\$ 228,861
Working capital	\$ 416,866	\$ 396,385
Current ratio	3.3	4.0
Net cash (debt) position(1)	\$ (300,974)	\$ 225,090
Days sales outstanding (DSO)	62	66
Disposables finished goods inventory turnover	4.0	5.7

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

On August 1, 2012, 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. As of March 30, 2013 all \$50.0 million of the Revolving Credit Facility was available. We also have lines of credit to fund our global operations.

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 total payments of approximately \$88.0 million associated with Value Creation and Capture opportunities and acquisition integration activities described below, capital expenditures, cash payments under the loan agreement and investments including the purchase of Hemerus described previously and other acquisitions.

Value Creation and Capture

On April 29, 2013, we committed to a plan to pursue identified Value Creation and Capture ("VCC") opportunities. These opportunities include investment in product line extensions and next generation products, enhancement of commercial capabilities and a transformation of our manufacturing network. The transformation of our manufacturing network will take place over the next three fiscal years and includes changes to the current manufacturing footprint and supply chain structure (the "Network Plan").

To implement the Network Plan, we will (i) discontinue manufacturing activities at our Braintree, Massachusetts location, (ii) create a technology center of excellence for product development, (iii) expand our current facility in Tijuana, Mexico and (iv) build a new manufacturing facility in Asia closer to our customer base in that region.

We estimate we will incur approximately \$23.0 million of cash restructuring expenses during fiscal 2014 which will be recorded through cost of goods sold. To complete the Network Plan we estimate that we will spend an additional \$8.0 million for cash restructuring expenses in future years. These costs consist principally of 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 of this effort will require a dedicated team of program managers, engineers, regulatory and quality professionals, the cost of which is included in these estimates. We also expect to incur non-cash costs of approximately \$5.0 million consisting of accelerated depreciation and asset write-downs.

Activities under the Plan will be initiated in fiscal 2014 and are expected to be substantially completed in the next three years. Additionally, we expect to deploy approximately \$36.0 million of cash in fiscal 2014 for capital expenditures to expand our existing Tijuana, Mexico facility and construct a new facility in Asia.

We also expect to incur cash costs totaling \$29.0 million associated with our other VCC opportunities, completion of the integration of the whole blood business and the recent acquisition of Hemerus.

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011	Increase/ (Decrease) 13 vs. 12	Increase/ (Decrease) 12 vs. 11
Net cash provided by (used in):					
Operating activities	\$ 85,074	\$ 115,318	\$ 123,455	\$ (30,244)	\$ (8,137)
Investing activities	(596,395)	(52,196)	(51,558)	(544,199)	(638)
Financing activities	461,853	(30,470)	(18,084)	492,323	(12,386)
Effect of exchange rate changes on cash and cash equivalents(1)	(273)	(498)	1,332	225	(1,830)
Net increase/(decrease) in cash and cash equivalents	<u>\$ (49,741)</u>	<u>\$ 32,154</u>	<u>\$ 55,145</u>	<u>\$ (81,895)</u>	<u>\$ (22,991)</u>

- (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:

In fiscal 2013, the Company repurchased approximately 1.2 million shares of its common stock for an aggregate purchase price of \$50.0 million. This completed a \$50.0 million share repurchase program that was announced in April 2012.

In fiscal 2012, the Company repurchased approximately 1.8 million shares of its common stock for an aggregate purchase price of \$50.0 million. This completed a \$50.0 million share repurchase program that was announced in May 2011.

In fiscal 2011, the Company repurchased approximately 1.8 million shares of its common stock for an aggregate purchase price of \$50.0 million. This completed a \$50.0 million share repurchase program that was announced in April 2010.

Operating Activities:

Net cash provided by operating activities was \$85.1 million during fiscal 2013, a decrease of \$30.2 million as compared to fiscal 2012 primarily due to higher payments of acquisition and integration related costs and working capital investments related to sales from the whole blood business, as accounts receivable were not included in the acquired assets.

Net cash provided by operating activities was \$115.3 million during fiscal 2012, a decrease of \$8.1 million as compared to fiscal 2011. Cash provided by operating was negatively impacted by higher accounts receivable, higher inventory levels to support plasma growth, the launch of our next generation surgical device, the Cell Saver Elite, the replacement of OrthoPAT devices and lower net income, offset by lower bonus payments and lower tax payments.

Investing Activities:

Net cash used in investing activities increased by \$544.2 million during fiscal 2013 as compared to fiscal 2012 due to the use of \$535.2 million to acquire the whole blood business, of which \$475.0 million was funded by term loan borrowings discussed above. The increase in net cash used in investing activities also included higher capital expenditures primarily related to the expansion of our installed equipment base with customers, particularly for plasma and hospital equipment.

Net cash used in investing activities increased by \$0.6 million during fiscal 2012 as compared to fiscal 2011 due to a \$6.5 million increase in capital expenditures on property, plant and equipment, offset by the benefit of no acquisition-related payments. The increase in capital expenditures is the net effect of higher placements of company-owned equipment, primarily in support of increased plasma disposables demand, and the replacement of OrthoPAT devices, offset by lower manufacturing capital investments due to completion of construction of our Salt Lake City facility.

Financing Activities:

Net cash provided by financing activities increased by \$492.3 million during the fiscal year ended March 30, 2013, as compared to the fiscal year ended March 31, 2012, due primarily to a \$475.0 million term loan used to finance the whole blood acquisition, \$15.1 million of incremental proceeds from the exercise of share-based compensation and \$5.6 million of short term borrowings from the fluctuation of working capital in Japan. These were offset by \$5.5 million of debt issuance costs

paid related to the term loan closing. Net cash used to fund share repurchases under common stock repurchase programs was \$50.0 million during fiscal 2013 and 2012.

Net cash used in financing activities increased by \$12.4 million during fiscal 2012 due primarily to a \$25.4 million decrease in cash flow from the exercise of stock options offset by a \$14.9 million decrease in net payments under short-term credit arrangements. Net cash used to fund share repurchases under common stock repurchase programs was \$50.0 million during fiscal 2012 and 2011.

Contractual Obligations and Contingencies

A summary of our contractual and commercial commitments as of March 30, 2013, is as follows:

<i>(In thousands)</i>	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Debt	\$ 480,094	\$ 23,150	\$ 118,969	\$ 337,975	\$ —
Operating leases	23,985	7,742	9,766	3,788	2,689
Purchase commitments*	131,734	126,734	5,000	—	—
Expected retirement plan benefit payments	10,611	1,200	2,635	2,062	4,714
Total contractual obligations	\$ 646,424	\$ 158,826	\$ 136,370	\$ 343,825	\$ 7,403

* Includes amounts we are committed to spend on purchase orders entered in the normal course of business for capital equipment and for the purpose of manufacturing our products including contract manufacturers, specifically JMS Co. Ltd., and Kawasumi Laboratories, for the manufacture of certain disposable products. The majority of our operating expense spending does not require any advance commitment.

The above table does not reflect our long-term liabilities associated with unrecognized tax benefits of \$7.4 million recorded in accordance with ASC Topic 740, Income Taxes. Due to the complexity associated with tax uncertainties related to these unrecognized benefits, we cannot reasonably make a reliable estimate of the period in which we expect to settle these long-term liabilities.

At the closing of the whole blood acquisition, we paid a total of \$535.2 million in cash consideration following resolution of post-closing adjustments for working capital and historical earnings levels. 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.

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 \$23.4 million as of March 30, 2013, may increase the average length of time it takes us to collect accounts receivable in certain regions within these countries.

Contingent Commitments

Legal Proceedings

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

Fenwal (Fresenius) Patent Infringement

For the past six years, we have pursued patent infringement lawsuits against Fenwal Inc. seeking an injunction and damages from their infringement of a Haemonetics patent, through the sale of the ALYX brand automated red cell collection system, a competitor of our automated red cell collection systems.

Currently, we are pursuing a patent infringement action in Germany against Fenwal, and its European and German subsidiary. On September 20, 2010, we filed a patent infringement action in Germany. In response, Fenwal filed an action to invalidate the Haemonetics patent which is the subject of this infringement action on December 1, 2010.

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 fiscal 2013, approximately 49.0% 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 and the Japanese Yen. We also have foreign currency exposure related to manufacturing and other operational costs denominated in the Swiss Franc, the British Pound, the Canadian Dollar and Mexican Peso. The Yen and Euro sales exposure is partially mitigated by costs and expenses for foreign operations and sourcing products denominated in these 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, and the Canadian Dollar, 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, and the Canadian Dollar. This does not eliminate the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, to the extent hedged, 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 2013 and 2012 or are presently outstanding. These hedges cover our long foreign currency positions that result from our sales designated in the 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)%	1.35	2 %
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 %
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)%	1.02	2 %
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)%	1.57	(4)%				
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	— %	0.94	2 %

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 March 30, 2013 are not expected to have a material impact on financial position, results of operation or liquidity.

Guidance to be Implemented

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. This Update requires an entity to disclose the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. The objective of this disclosure is to improve the reporting of reclassifications out of accumulated other comprehensive income. The amended guidance is effective for reporting periods beginning after December 15, 2012, and interim periods within those annual periods. We are currently evaluating the impact, if any, that the adoption of this pronouncement may have on our financial disclosures.

In October 2012, the FASB issued ASU 2012-04, *Technical Corrections and Improvements*. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification. These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will be effective for fiscal periods beginning after December 15, 2012. The adoption of ASU 2012-04 is not expected to have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU No. 2011-11 *Balance Sheet: Disclosures about Offsetting Assets and Liabilities*. This Update requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. We are currently evaluating the impact, if any, that the adoption of this pronouncement may have on our financial disclosures.

Standards Implemented

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. Update No. 2011-05 updates the disclosure requirements for comprehensive income to include total comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The updated guidance does not affect how earnings per share is calculated or presented. The updated guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, and should be applied retrospectively. We adopted this standard in the first quarter of fiscal 2013 using the two separate but consecutive statements approach. The adoption of ASU 2011-05 does not affect on our financial position or results of operations but changed our presentation of comprehensive income.

In September 2011, the FASB issued ASU No. 2011-08, *Testing Goodwill for Impairment* ("ASU 2011-08"), which changes the way a company completes its annual impairment review process. The provisions of this pronouncement provides an entity with the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that is more likely than not that the fair value of a reporting unit is less than its carrying amount. ASU-2011-08 allows an entity the option to bypass the qualitative-assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. The pronouncement does not change the current guidance for testing other indefinite-lived intangible assets for impairment. This standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We adopted these provisions in 2012. The adoption of ASU 2011-08 did not have a material effect on our financial position or results of operations.

Critical Accounting Policies

Our significant accounting policies are summarized in Note 2 of our consolidated financial statements. While all of these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and/or estimates. Actual results may differ from those estimates.

The accounting policies identified as critical are as follows:

Revenue Recognition

We recognize revenue from product sales, software and services in accordance with ASC Topic 605, *Revenue Recognition* and ASC Topic 985-605, *Software*. These standards require that revenue is recognized when persuasive evidence of an arrangement exists, product delivery, including customer acceptance, has occurred or services have been rendered, the price is fixed or determinable and collectability is reasonably assured. When more than one element such as equipment, disposables and services are contained in a single arrangement, we allocate revenue between the elements based on each element's relative selling price, provided that each element meets the criteria for treatment as a separate unit of accounting. An item is considered a separate unit of accounting if it has value to the customer on a stand-alone basis. The selling price of the undelivered elements is determined by the price charged when the element is sold separately, which constitutes vendor specific objective evidence as defined under ASC Topic 985-605, or in cases when the item is not sold separately, by third-party evidence of selling price or by management's best estimate of selling price. For our software arrangements accounted for under the provisions of ASC 985-605, *Software*, we establish fair value of undelivered elements based upon vendor specific objective evidence.

We generally do not allow our customers to return products. We offer sales rebates and discounts to certain customers. We treat sales rebates and discounts as a reduction of revenue and classify the corresponding liability as current. We estimate rebates for products where there is sufficient historical information available to predict the volume of expected future rebates. If we are unable to estimate the expected rebates reasonably, we record a liability for the maximum potential rebate or discount that could be earned.

We generally recognize revenue from the sale of perpetual licenses on a percentage-of-completion basis which requires us to make reasonable estimates of the extent of progress toward completion of the contract. These arrangements most often include

providing customized implementation services to our customer. We also provide other services, including in some instances hosting, technical support, and maintenance, for the payment of periodic, monthly, or quarterly fees. We recognize these fees and charges as earned, typically as these services are provided during the contract period.

Goodwill and Other Intangible Assets

Intangible assets acquired in a business combination, including licensed technology, are recorded under the purchase method of accounting at their estimated fair values at the date of acquisition. Goodwill represents the excess purchase price over the fair value of the net tangible and other identifiable intangible assets acquired. We amortize our other intangible assets over their useful lives using the estimated economic benefit method, as applicable.

Goodwill is not amortized. Instead goodwill is reviewed for impairment at least annually in accordance with ASC Topic 350, *Intangibles — Goodwill and Other*. We perform our annual impairment test on the first day of the fiscal fourth quarter for each of our reporting units. We first perform a qualitative test and if necessary, perform a quantitative test. The quantitative test is based on a discounted cash flow analysis for each reporting unit. The test showed no evidence of impairment to our goodwill for fiscal 2013, 2012 or 2011 and demonstrated that the fair value of each reporting unit significantly exceeded the reporting unit's carrying value in each period.

We review our intangible assets, subject to amortization, and their related useful lives periodically to determine if any adverse conditions exist that would indicate the carrying value of these assets may not be recoverable. Our review includes examination of whether certain conditions exist, including: a change in the competitive landscape, any internal decisions to pursue new or different technology strategies, loss of a significant customer, or a significant change in the market place including changes in the prices paid for our products or changes in the size of the market for our products.

An impairment loss results if the carrying value of the asset exceeds the estimated fair value of the asset. Fair value is determined using different methodologies depending upon the nature of the underlying asset. If the estimate of an intangible asset's remaining useful life is changed, the remaining carrying amount of the intangible asset is amortized prospectively over the revised remaining useful life.

Inventory Provisions

We base our provisions for excess, expired and obsolete inventory primarily on our estimates of forecasted net sales. A significant change in the timing or level of demand for our products as compared to forecasted amounts may result in recording additional provisions for excess, expired and obsolete inventory in the future. Additionally, uncertain timing of next-generation product approvals, variability in product launch strategies, product recalls and variation in product utilization all affect our estimates related to excess, expired and obsolete inventory.

Income Taxes

The income tax provision is calculated for all jurisdictions in which we operate. This process involves estimating actual current taxes due plus assessing temporary differences arising from differing treatment for tax and accounting purposes that are recorded as deferred tax assets and liabilities. Deferred tax assets are periodically evaluated to determine their recoverability and a valuation allowance is established with a corresponding additional income tax provision recorded in our consolidated statements of income if their recovery is not considered likely. The provision for income taxes could also be materially impacted if actual taxes due differ from our earlier estimates.

We record a liability for uncertain tax positions taken or expected to be taken in income tax returns. Uncertain tax positions are unrecognized tax benefits for which reserves have been established. Our financial statements reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts.

We file income tax returns in all jurisdictions in which we operate. We establish a reserve to provide for additional income taxes that may be due in future years as these previously filed tax returns are audited. These reserves have been established based on management's assessment as to the potential exposure attributable to permanent differences and interest applicable to both permanent and temporary differences. All tax reserves are analyzed periodically and adjustments are made as events occur that warrant modification.

Valuation of Acquisitions

We allocate the amounts we pay for each acquisition to the assets we acquire and liabilities we assume based on their estimated fair values at the dates of acquisition, including acquired identifiable intangible assets, and purchased research and development. We base the estimated fair value of identifiable intangible assets on detailed valuations that use historical and forecasted information and market assumptions based upon the assumptions of a market participant. We allocate any excess purchase price over the fair value of the net tangible and intangible assets acquired to goodwill. The use of alternative valuation assumptions, including estimated cash flows and discount rates, and alternative estimated useful life assumptions could result in different purchase price allocations and intangible asset amortization expense in current and future periods.

In certain acquisitions, we have earn-out arrangements or contingent consideration to provide potential future payments to the seller for achieving certain agreed-upon financial targets. We record the contingent consideration at its fair value at the acquisition date. Generally, we have entered into arrangements with contingent consideration that require payments in cash. As such, we periodically revalue the contingent consideration obligations associated with certain acquisitions to their then fair value and record the change in the fair value as contingent consideration income or expense. Increases or decreases in the fair value of the contingent consideration obligations can result from changes in assumed discount periods and rates, changes in the assumed timing and amount of revenue and expense estimates, and changes in assumed probability adjustments with respect to regulatory approval. Significant judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, future business and economic conditions, as well as changes in any of the assumptions described above, can materially impact the amount of contingent consideration income or expense we record in any given period.

Contingencies

We may become involved in various legal proceedings that arise in the ordinary course of business, including, without limitation, patent infringement, product liability and environmental matters. Accruals recorded for various contingencies including legal proceedings, self-insurance and other claims are based on judgment, the probability of losses and, where applicable, the consideration of opinions of internal and/or external legal counsel and actuarially determined estimates. When a range is established but a best estimate cannot be made, we record the minimum loss contingency amount. These estimates are often initially developed substantially earlier than the ultimate loss is known, and the estimates are reevaluated each accounting period, as additional information is available. When we are initially unable to develop a best estimate of loss, we record the minimum amount of loss, which could be zero. As information becomes known, additional loss provision is recorded when either a best estimate can be made or the minimum loss amount is increased. When events result in an expectation of a more favorable outcome than previously expected, our best estimate is changed to a lower amount. We record receivables from third party insurers when we have determined that existing insurance policies will provide reimbursement. In making this determination, we consider applicable deductibles, policy limits and the historical payment experience of the insurance carriers.

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 capture and creation 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 Item 1A. Risk Factors included in this report. The foregoing list should not be construed as exhaustive.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Foreign Exchange Risk

See the section above 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 and costs. We do not use the financial instruments for speculative or trading activities. At March 30, 2013, we had the following significant foreign exchange contracts to hedge the anticipated foreign currency cash flows outstanding. The contracts have been organized into maturity groups and the related quarter that we expect the hedge contract to affect our earnings.

Hedged Currency	(BUY)/SELL Local Currency	Weighted Spot Contract Rate	Weighted Forward Contract Rate	Fair Value Gain/(Loss)	Maturity	Quarter Expected to Affect Earnings
EUR	7,609,000	1.266	1.272	\$ (113,172)	Mar 2013 - May 2013	Q1 FY14
EUR	8,474,000	1.248	1.253	\$ (289,142)	Jun 2013 - Aug 2013	Q2 FY14
EUR	8,549,000	1.293	1.297	\$ 64,875	Sep 2013 - Nov 2013	Q3 FY14
EUR	6,539,000	1.353	1.355	\$ 403,373	Dec 2013 -Feb 2014	Q4 FY14
YEN	895,856,000	79.61 per US\$	79.13 per US\$	\$ 1,795,161	Mar 2013 - May 2013	Q1 FY14
YEN	1,415,955,000	79.68 per US\$	79.35 per US\$	\$ 2,739,127	Jun 2013 - Aug 2013	Q2 FY14
YEN	1,473,623,000	84.32 per US\$	84.03 per US\$	\$ 1,798,356	Sep 2013 - Nov 2013	Q3 FY14
YEN	1,415,536,000	93.92 per US\$	93.57 per US\$	\$ 53,287	Dec 2013 -Feb 2014	Q4 FY14
GBP	(777,000)	1.593	1.590	\$ (58,703)	Feb 2012- Apr 2013	Q1 FY14
GBP	(777,000)	1.568	1.567	\$ (40,758)	May 2012- Jul 2013	Q2 FY14
CAD	(1,868,000)	1.01 per US\$	1.02 per US\$	\$ 2,483	Mar 2013 - May 2013	Q1 FY14
CAD	(1,587,000)	1.00 per US\$	1.01 per US\$	\$ (22,283)	Jun 2013 - Aug 2013	Q2 FY14
CAD	(1,853,000)	1.00 per US\$	1.01 per US\$	\$ (29,503)	Sep 2013 - Nov 2013	Q3 FY14
CAD	(436,000)	1.02 per US\$	1.03 per US\$	\$ 2,102	Dec 2013 - Feb 2014	Q4 FY14
CHF	(5,527,000)	0.96 per US\$	0.95 per US\$	\$ 10,666	Apr 2013 - Jun 2013	Q1 FY14
CHF	(6,083,000)	0.95 per US\$	0.95 per US\$	\$ 8,425	Jul 2013 - Sep 2013	Q2 FY14
CHF	(7,070,000)	0.92 per US\$	0.91 per US\$	\$ (236,730)	Jul 2013 - Sep 2013	Q3 FY14
CHF	(1,604,800)	0.94 per US\$	0.94 per US\$	\$ (11,474)	Oct 2013 - Dec 2013	Q4 FY14
MXN	(8,629,000)	12.34 per US\$	12.36 per US\$	\$ (891)	Feb 2013 - Apr 2013	Q1 FY14
MXN	(8,629,000)	12.39 per US\$	12.45 per US\$	\$ 2,275	May 2013- Jul 2013	Q2 FY14
				\$ 6,077,474		

We estimate the change in the fair value of all forward contracts assuming both a 10% strengthening and weakening of the U.S. dollar relative to all other major currencies. In the event of a 10% strengthening of the U.S. dollar, the change in fair value of all forward contracts would result in a \$11.1 million increase in the fair value of the forward contracts; whereas a 10% weakening of the US dollar would result in a \$11.8 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 Agreement, all of which is variable rate debt. All other long-term debt is at fixed rates. Total outstanding debt under our Credit Facilities for the fiscal year ended March 30, 2013 was \$475.0 million with an interest rate of 1.625% based on prevailing Adjusted LIBOR rates. An increase of 100 basis points in Adjusted LIBOR rates would result in additional annual interest expense of \$4.8 million. 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.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HAEMONETICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Year Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Net revenues	\$ 891,990	\$ 727,844	\$ 676,694
Cost of goods sold	463,859	358,604	321,485
Gross profit	428,131	369,240	355,209
Operating expenses:			
Research and development	44,394	36,801	32,656
Selling, general and administrative	323,053	245,261	213,899
Contingent consideration income	—	(1,580)	(1,894)
Asset write-down	4,247	—	—
Total operating expenses	371,694	280,482	244,661
Operating income	56,437	88,758	110,548
Other income (expense), net	(6,540)	740	(467)
Income before provision for income taxes	49,897	89,498	110,081
Provision for income taxes	11,097	22,612	30,101
Net income	\$ 38,800	\$ 66,886	\$ 79,980
Net income per share - basic	\$ 0.76	\$ 1.32	\$ 1.59
Net income per share - diluted	\$ 0.74	\$ 1.30	\$ 1.56
Weighted average shares outstanding			
Basic	51,349	50,727	50,154
Diluted	52,259	51,590	51,192

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Net income	\$ 38,800	\$ 66,886	\$ 79,980
Other comprehensive (loss)/income:			
Impact of defined benefit plans, net of tax	(820)	(3,988)	555
Foreign currency translation adjustment	(4,705)	(2,813)	6,380
Unrealized (loss)/gain on cash flow hedges, net of tax	4,594	3,140	(4,068)
Reclassifications into earnings of cash flow hedge losses/(gains), net of tax	(2,746)	3,230	769
Other comprehensive (loss)/income	<u>(3,677)</u>	<u>(431)</u>	<u>3,636</u>
Comprehensive income	<u>\$ 35,123</u>	<u>\$ 66,455</u>	<u>\$ 83,616</u>

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

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

	March 30, 2013	March 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 179,120	\$ 228,861
Accounts receivable, less allowance of \$1,727 at March 30, 2013 and \$1,480 at March 31, 2012	170,111	135,464
Inventories, net	183,784	117,163
Deferred tax asset, net	13,782	9,665
Prepaid expenses and other current assets	50,213	35,976
Total current assets	597,010	527,129
Property, plant and equipment:		
Land, building and building improvements	82,898	59,816
Plant equipment and machinery	205,698	136,057
Office equipment and information technology	103,235	88,185
Haemonetics equipment	240,889	226,476
Total property, plant and equipment	632,720	510,534
Less: accumulated depreciation	(375,767)	(348,877)
Net property, plant and equipment	256,953	161,657
Other assets:		
Intangible assets	264,388	96,549
Goodwill	330,474	115,058
Deferred tax asset, long term	1,751	23
Other long-term assets	11,341	10,719
Total other assets	607,954	222,349
Total assets	\$ 1,461,917	\$ 911,135
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	\$ 23,150	\$ 894
Accounts payable	49,893	35,425
Accrued payroll and related costs	45,697	29,451
Accrued income taxes	4,053	8,075
Other liabilities	57,351	56,899
Total current liabilities	180,144	130,744
Long-term debt, net of current maturities	456,944	2,877
Long-term deferred tax liability	29,552	23,332
Other long-term liabilities	26,095	21,551
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock, \$0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding — 51,031,563 shares at March 30, 2013 and 50,603,798 shares at March 31, 2012	510	506
Additional paid-in capital	365,040	322,232
Retained earnings	398,199	400,783
Accumulated other comprehensive income	5,433	9,110
Total stockholders' equity	769,182	732,631
Total liabilities and stockholders' equity	\$ 1,461,917	\$ 911,135

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(In thousands, except per share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
	Shares	\$'s				
Balance, April 3, 2010	50,882	\$ 508	\$ 252,070	\$ 334,641	\$ 5,905	\$ 593,124
Employee stock purchase plan	156	2	3,679	—	—	3,681
Exercise of stock options and related tax benefit	2,024	20	44,885	—	—	44,905
Shares repurchased	(1,814)	(18)	(8,991)	(40,991)	—	(50,000)
Issuance of restricted stock, net of cancellations	72	1	(1)	—	—	—
Stock compensation expense	—	—	10,810	—	—	10,810
Net income	—	—	—	79,980	—	79,980
Other comprehensive income/(loss)	—	—	—	—	3,636	3,636
Balance, April 2, 2011	51,320	\$ 513	\$ 302,452	\$ 373,630	\$ 9,541	\$ 686,136
Employee stock purchase plan	154	2	3,721	—	—	3,723
Exercise of stock options and related tax benefit	738	7	17,021	—	—	17,028
Shares repurchased	(1,704)	(17)	(10,248)	(39,733)	—	(49,998)
Issuance of restricted stock, net of cancellations	96	1	—	—	—	1
Stock compensation expense	—	—	9,286	—	—	9,286
Net income	—	—	—	66,886	—	66,886
Other comprehensive income/(loss)	—	—	—	—	(431)	(431)
Balance, March 31, 2012	50,604	\$ 506	\$ 322,232	\$ 400,783	\$ 9,110	\$ 732,631
Employee stock purchase plan	151	1	4,141	—	—	4,142
Exercise of stock options and related tax benefit	1,398	14	35,801	—	—	35,815
Stock-based compensation adjustment related to acquisition	—	—	504	—	—	504
Shares repurchased	(1,236)	(12)	(8,607)	(41,384)	—	(50,003)
Issuance of restricted stock, net of cancellations	115	1	—	—	—	1
Stock compensation expense	—	—	10,969	—	—	10,969
Net income	—	—	—	38,800	—	38,800
Other comprehensive income/(loss)	—	—	—	—	(3,677)	(3,677)
Balance, March 30, 2013	51,032	\$ 510	\$ 365,040	\$ 398,199	\$ 5,433	\$ 769,182

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

HAEMONETICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Cash Flows from Operating Activities:			
Net income	\$ 38,800	\$ 66,886	\$ 79,980
Adjustments to reconcile net income to net cash provided by operating activities:			
Non cash items:			
Depreciation and amortization	65,481	49,966	48,145
Amortization of financing costs	1,139	—	—
Stock compensation expense	10,969	9,286	10,810
Deferred tax expense	589	5,878	5,782
Loss on sale of property, plant and equipment	351	772	674
Unrealized loss from hedging activities	700	166	(614)
Contingent consideration income	—	(1,580)	(1,894)
Reversal of interest expense on contingent consideration	—	(574)	(416)
Asset write-down	4,247	—	—
Change in operating assets and liabilities:			
Increase in accounts receivable, net	(38,080)	(10,539)	(3,920)
Increase in inventories	(18,685)	(32,528)	(2,560)
(Increase)/decrease in prepaid income taxes	(4,025)	3,058	1,680
(Increase)/decrease in other assets and other long-term liabilities	(6,187)	3,156	(470)
Tax benefit of exercise of stock options	4,194	1,958	4,941
(Decrease)/increase in accounts payable and accrued expenses	25,581	19,413	(18,683)
Net cash provided by operating activities	85,074	115,318	123,455
Cash Flows from Investing Activities:			
Capital expenditures on property, plant and equipment	(62,188)	(53,198)	(46,669)
Proceeds from sale of property, plant and equipment	1,968	1,002	1,468
Acquisition of Whole Blood Business	(535,175)	—	—
Acquisition of Global Med Technologies	—	—	(128)
Acquisition of ACCS	—	—	(6,229)
Investment in Hemerus	(1,000)	—	—
Net cash used in investing activities	(596,395)	(52,196)	(51,558)
Cash Flows from Financing Activities:			
Payments on long-term real estate mortgage	(886)	(815)	(632)
Net (decrease)/increase in short-term loans	7,446	(288)	(15,153)
Term loan borrowings	475,000	—	—
Debt issuance costs	(5,467)	—	—
Proceeds from employee stock purchase plan	4,142	3,723	3,681
Proceeds from exercise of stock options	27,517	15,475	40,896
Excess tax benefit on exercise of stock options	4,101	1,433	3,124
Share repurchase	(50,000)	(49,998)	(50,000)
Net cash provided by (used in) financing activities	461,853	(30,470)	(18,084)
Effect of exchange rates on cash and cash equivalents	(273)	(498)	1,332
Net (Decrease)/Increase in Cash and Cash Equivalents	(49,741)	32,154	55,145
Cash and Cash Equivalents at Beginning of Year	228,861	196,707	141,562
Cash and Cash Equivalents at End of Period	\$ 179,120	\$ 228,861	\$ 196,707
Non-cash Investing and Financing Activities:			
Transfers from inventory to fixed assets for placement of Haemonetics equipment	21,677	18,333	5,069
Supplemental Disclosures of Cash Flow Information:			
Interest paid	\$ 5,910	\$ 414	\$ 487
Income taxes paid	\$ 13,178	\$ 10,764	\$ 16,669

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Haemonetics is a global healthcare company dedicated to providing innovative blood management solutions for our customers — plasma collectors, blood collectors, and hospitals. Anchored by our strong brand name in medical device systems for the transfusion industry, we also provide information technology platforms and value added services to provide customers with business solutions which support improved clinical outcomes for patients and efficiency in the blood supply chain.

Our systems automate the collection and processing of donated blood; perform blood diagnostics; salvage and process surgical patient blood; and dispense blood within the hospital. These systems include devices and single-use, proprietary disposable sets that operate only on our specialized equipment. 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. Our blood processing 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 the likelihood of a patient's blood loss allowing clinicians to make informed decisions about a patient's treatment as it relates to blood loss in surgery. Our surgical blood salvage systems collect blood lost by a patient in surgery, clean the blood, and make it available for reinfusion to the patient, in this way giving the patient the safest blood possible — his or her own. Our blood distribution systems are "smart" refrigerators located throughout hospitals which automate the storage, inventory tracking, and dispositioning of blood in key blood use areas.

Our information technology platforms are used by blood and plasma collectors to improve the safety and efficiency of blood collection logistics by eliminating previously manual functions at not-for-profit blood centers and commercial plasma centers. Our platforms are also used by hospitals to enable hospital administrators to monitor and measure blood management practices and to manage processes within transfusion services. Our information technology platforms allow all customers to better manage processes across the blood supply chain, comply with regulatory requirements, and identify increased opportunities to reduce costs.

On November 30, 2012 the Company completed a two-for-one split of the Company's common stock in the form of a stock dividend. Unless otherwise indicated, all common stock shares and per share information referenced within the Consolidated Financial Statements have been retroactively adjusted to reflect the stock split. The exercise price of each outstanding option has also been proportionately and retroactively adjusted for all periods presented. Par value per share and authorized shares were however not affected by the stock split.

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The accompanying consolidated financial statements present separately our financial position, results of operations, cash flows, and changes in shareholders' equity. All amounts presented, except per share amounts, are stated in thousands of U.S. dollars, unless otherwise indicated.

The Company considers 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 these financial statements reflect those material items that arose after the balance sheet date but prior to the issuance of the financial statements that would be considered recognized subsequent events. Refer to *Note 19 - Subsequent Events* for further information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

Our fiscal year ends on the Saturday closest to the last day of March. Fiscal years 2013, 2012 and 2011 each includes 52 weeks with each quarter having 13 weeks.

Principles of Consolidation

The accompanying consolidated financial statements include all accounts including those of our subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the amounts derived from our estimates and assumptions.

Revenue Recognition

Our revenue recognition policy is to recognize revenues from product sales, software and services in accordance with ASC Topic 605, *Revenue Recognition*, and ASC Topic 985-605, *Software*. These standards require that revenues are recognized when persuasive evidence of an arrangement exists, product delivery, including customer acceptance, has occurred or services have been rendered, the price is fixed or determinable and collectability is reasonably assured. When more than one element such as equipment, disposables, and services are contained in a single arrangement, we allocate revenue between the elements based on each element's relative selling price, provided that each element meets the criteria for treatment as a separate unit of accounting. An item is considered a separate unit of accounting if it has value to the customer on a stand-alone basis. The selling price of the undelivered elements is determined by the price charged when the element is sold separately, or in cases when the item is not sold separately, by third-party evidence of selling price or by management's best estimate of selling price. For our software arrangements accounted for under the provisions of ASC 985-605, *Software*, we establish fair value of undelivered elements based upon vendor specific objective evidence.

Product Revenues

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

Non-Income Taxes

We are required to collect sales or valued added taxes in connection with the sale of certain of our products. We report revenues net of these amounts as they are promptly remitted to the relevant taxing authority.

We are also required to pay a medical device excise tax relating to U.S. sales of Class I, II and III medical devices. This new excise tax went into effect January 1, 2013, established as part of the March 2010 U.S. healthcare reform legislation, and has been included in selling, general and administrative expenses.

Software Revenues

Our software solutions business provides support to our plasma and blood collection customers and hospitals. We provide information technology platforms and technical support for donor recruitment, blood and plasma testing laboratories, and for efficient and compliant operations of blood and plasma collection centers. For plasma customers, we also provide information technology platforms for managing distribution of plasma from collection centers to plasma fractionation facilities.

Our software solutions revenues also include revenue from software sales which includes per collection or monthly subscription fees for the license and support of the software as well as hosting services. A significant portion of our software sales are perpetual licenses typically accompanied with significant implementation service fees related to software customization as well as other professional and technical service fees.

We generally recognize revenue from the sale of perpetual licenses on a percentage-of-completion basis which requires us to make reasonable estimates of the extent of progress toward completion of the contract. These arrangements most often include providing customized implementation services to our customer. We also provide other services, including in some instances

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

hosting, technical support, and maintenance, for the payment of periodic, monthly, or quarterly fees. We recognize these fees and charges as earned, typically as these services are provided during the contract period.

Translation of Foreign Currencies

All assets and liabilities of foreign subsidiaries are translated at the rate of exchange at year-end while sales and expenses are translated at an average rate in effect during the year. The net effect of these translation adjustments is shown in the accompanying financial statements as a component of stockholders' equity. Foreign currency transaction gains and losses, including those resulting from inter-company transactions, are included in other income, net on the consolidated statements of income. The impact of foreign exchange on long-term intercompany loans are recorded in accumulated other comprehensive income on the consolidated balance sheet.

Cash and Cash Equivalents

Cash equivalents include various instruments such as money market funds, U.S. government obligations and commercial paper with maturities of three months or less at date of acquisition. Cash and cash equivalents are recorded at cost, which approximates fair market value. As of March 30, 2013, our cash and cash equivalents consisted of investments in United States Government Agency and Institutional Money Market Funds.

Allowance for Doubtful Accounts

We establish a specific allowance for customers when it is probable that they will not be able to meet their financial obligation. Customer accounts are reviewed individually on a regular basis and appropriate reserves are established as deemed appropriate. We also maintain a general reserve using a percentage that is established based upon the age of our receivables. We establish allowances for balances not yet due and past due accounts based on past experience.

Property, Plant and Equipment

Property, plant and equipment is recorded at historical cost. We provide for depreciation and amortization by charges to operations using the straight-line method in amounts estimated to recover the cost of the building and improvements, equipment, and furniture and fixtures over their estimated useful lives as follows:

Asset Classification	Estimated Useful Lives
Building	30 years
Building improvements	5-20 Years
Plant equipment and machinery	3-10 Years
Office equipment and information technology	3-10 Years
Haemonetics equipment	3-7 Years

We evaluate the depreciation periods of property, plant and equipment to determine whether events or circumstances warrant revised estimates of useful lives. All property, plant and equipment are also tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Our installed base of devices includes devices owned by us and devices sold to the customer. The asset on our balance sheet entitled Haemonetics equipment consists of medical devices installed at customer sites but owned by Haemonetics. Generally the customer has the right to use it for a period of time as long as they meet the conditions we have established, which among other things, generally include one or more of the following:

- Purchase and consumption of a certain level of disposable product
- Payment of monthly rental fees
- An asset utilization performance metric, such as performing a minimum level of procedures per month per device

Consistent with the impairment tests noted below for other intangible assets subject to amortization, we review Haemonetics equipment and their related useful lives at least once a year, or more frequently if certain conditions arise, to determine if any adverse conditions exist that would indicate the carrying value of these assets may not be recoverable. To conduct these reviews we estimate the future amount and timing of demand for these devices. Changes in expected demand can result in additional

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

depreciation expense, which is classified as cost of goods sold. Any significant unanticipated changes in demand could impact the value of our devices and our reported operating results.

Leasehold improvements are amortized over the lesser of their useful lives or the term of the lease. Maintenance and repairs are expensed to operations as incurred. When equipment and improvements are sold or otherwise disposed of, the asset cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, is included in the statements of income.

Goodwill and Intangible Assets

Intangible assets acquired in a business combination are recorded under the purchase method of accounting at their estimated fair values at the date of acquisition. Goodwill represents the excess purchase price over the fair value of the net tangible and other identifiable intangible assets acquired. We amortize our other intangible assets over their estimated useful lives.

Goodwill is not amortized. Instead goodwill is reviewed for impairment at least annually in accordance with ASC Topic 350, *Intangibles — Goodwill and Other*. We perform our annual impairment test on the first day of the fiscal fourth quarter for each of our reporting units. We first perform a qualitative test and if necessary, perform a quantitative test. The quantitative test is based on a discounted cash flow analysis for each reporting unit. Discounted cash flow analysis is an income approach to determining fair value of a reporting unit utilizing estimated after-tax cash flows attributable to the reporting unit which are then discounted to present value based on a risk-adjusted discount rate. The amount and timing of future cash flows for this analysis are determined primarily based on revenue growth rates, operating margins and other projections from our most recent operational budgets and long range strategic plans. The test showed no evidence of impairment to our goodwill for fiscal 2013, 2012 or 2011 and demonstrated that the fair value of each reporting unit significantly exceeded the reporting unit's carrying value in each period.

We review intangible assets subject to amortization at least annually or more frequently if certain conditions arise to determine if any adverse conditions exist that would indicate that the carrying value of an asset or asset group may not be recoverable, or that a change in the remaining useful life is required. Conditions indicating that an impairment exists include but are not limited to a change in the competitive landscape, internal decisions to pursue new or different technology strategies, a loss of a significant customer or a significant change in the marketplace including prices paid for our products or the size of the market for our products.

If an impairment indicator exists, we test the intangible asset for recoverability. For purposes of the recoverability test, we group our amortizable intangible assets with other assets and liabilities at the lowest level of identifiable cash flows if the intangible asset does not generate cash flows independent of other assets and liabilities. If the carrying value of the intangible asset (asset group) exceeds the undiscounted cash flows expected to result from the use and eventual disposition of the intangible asset (asset group), we will write the carrying value down to the fair value in the period identified.

We generally calculate fair value of our intangible assets as the present value of estimated future cash flows we expect to generate from the asset using a risk-adjusted discount rate. In determining our estimated future cash flows associated with our intangible assets, we use estimates and assumptions about future revenue contributions, cost structures and remaining useful lives of the asset (asset group).

If we determine the estimate of an intangible asset's remaining useful life should be reduced based on our expected use of the asset, the remaining carrying amount of the asset is amortized prospectively over the revised estimated useful life.

Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed

ASC Topic 985-20, *Software*, 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, at which point capitalized costs are amortized over their estimated useful life. Technological feasibility is established when we have a detailed design of the software and when research and development activities on the underlying device, if applicable, are completed.

We review the net realizable value of capitalized assets periodically to assess the recoverability of amounts capitalized. In the future, the net realizable value may be adversely affected by the loss of a significant customer or a significant change in the market place, which could result in an impairment being recorded.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Other Liabilities

Other liabilities represent items payable within the next twelve months.

The items included in the fiscal year end balances were:

<i>(In thousands)</i>	March 30, 2013	March 31, 2012
VAT Liabilities	\$ 5,121	\$ 6,875
Forward Contracts	1,786	1,185
Deferred Revenue	23,737	24,132
HS Core Liability (a)	156	3,654
All Other	26,551	21,053
Total	<u>\$ 57,351</u>	<u>\$ 56,899</u>

(a) See Note 10, Commitments and Contingencies, for details of the HS Core quality issue that occurred during the first quarter of 2012.

Research and Development Expenses

All research and development costs are expensed as incurred.

Advertising Costs

All advertising costs are expensed as incurred and are included in selling, general and administrative expenses in the consolidated statement of income. Advertising expenses were \$4.6 million, \$4.5 million, and \$2.8 million for 2013, 2012 and 2011, respectively.

Accounting for Shipping and Handling Costs

Shipping and handling costs are included in selling, general and administrative expenses. Freight is classified in cost of goods sold when the customer is charged for freight and in selling, general and administration when the customer is not explicitly charged for freight.

Income Taxes

The income tax provision is calculated for all jurisdictions in which we operate. This process involves estimating actual current taxes due plus assessing temporary differences arising from differing treatment for tax and accounting purposes that are recorded as deferred tax assets and liabilities. Deferred tax assets are periodically evaluated to determine their recoverability and a valuation allowance is established with a corresponding additional income tax provision recorded in our consolidated statements of income if their recovery is not considered more likely than not. The provision for income taxes could also be materially impacted if actual taxes due differ from our earlier estimates.

We record a liability for uncertain tax positions taken or expected to be taken in income tax returns. Uncertain tax positions are unrecognized tax benefits for which reserves have been established. Our financial statements reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts.

We file income tax returns in all jurisdictions in which we operate. We establish reserves to provide for additional income taxes that may be due in future years as these previously filed tax returns are audited. These reserves have been established based on management's assessment as to the potential exposure attributable to permanent differences and interest applicable to both permanent and temporary differences. All tax reserves are analyzed periodically and adjustments are made as events occur that warrant modification.

Derivative Instruments

We account for our derivative financial instruments in accordance with ASC Topic 820, Fair Value Measurements and Disclosures ("ASC 820") and with ASC Topic 815, Derivatives and Hedging ("ASC 815"). In accordance with ASC 815, we

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

record all derivatives on the balance sheet at fair value. The accounting for the change in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative as a hedging instrument for accounting purposes, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. In addition, ASC 815 provides that, for derivative instruments that qualify for hedge accounting, changes in the fair value are either (a) offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or (b) recognized in equity until the hedged item is recognized in earnings, depending on whether the derivative is being used to hedge changes in fair value or cash flows. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. We do not use derivative financial instruments for trading or speculation purposes.

The gains or losses on the forward foreign exchange rate contracts designated as hedges are recorded in net revenues, cost of goods sold, operating expenses and other income in our consolidated statements of income when the underlying hedged transaction affects earnings. The cash flows related to the gains and losses are classified in the consolidated statements of cash flows as part of cash flows from operating activities. For those derivative instruments that are not designated as part of a hedging relationship we record the gains or losses in earnings currently. These gains and losses are intended to offset the gains and losses recorded on net monetary assets or liabilities that are denominated in foreign currencies. We recorded foreign currency losses on designated and non-designated hedges of \$0.8 million, \$0.4 million, and \$1.4 million in fiscal 2013, 2012 and 2011, respectively.

On a quarterly basis, we assess whether the cash flow hedges are highly effective in offsetting changes in the cash flow of the hedged item. 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.

Our derivative instruments do not subject our earnings or cash flows to material risk, as gains and losses on these derivatives are intended to offset losses and gains on the item being hedged. We do not enter into derivative transactions for speculative purposes and we do not have any non-derivative instruments that are designated as hedging instruments pursuant to ASC Topic 815.

Stock-Based Compensation

We use the Black-Scholes option-pricing model to calculate the grant-date fair value of our stock options. The following assumptions, which involve the use of judgment by management, are used in the computation of the grant-date fair value of our stock options:

Expected Volatility — We have principally used our historical volatility as a basis to estimate expected volatility in our valuation of stock options.

Expected Term — We estimate the expected term of our options using historical exercise and forfeiture data to determine the amount of stock based compensation to record each period. We believe that this historical data is currently the best estimate of the expected term of our new option grants.

Estimated Forfeiture Rate — Based on an analysis of our historical forfeitures, we have applied an annual forfeiture rate which represents the portion that we expect will be forfeited each year over the vesting period. We reevaluate this analysis periodically and adjust the forfeiture rate as necessary. Ultimately, we will only recognize expense for those shares that vest.

Valuation of Acquisitions

We allocate the amounts we pay for each acquisition to the assets acquired and liabilities assumed based on their estimated fair values at the dates of acquisition, including acquired identifiable intangible assets. We base the estimated fair value of identifiable intangible assets on detailed valuations that use historical information and market assumptions based upon the assumptions of a market participant. We allocate any excess purchase price over the fair value of the net tangible and intangible assets acquired to goodwill. The use of alternative valuation assumptions, including estimated cash flows and discount rates, and alternative estimated useful life assumptions could result in different purchase price allocations and intangible asset amortization expense in current and future periods.

In certain acquisitions, we have earn-out arrangements or contingent consideration to provide potential future payments to the seller for achieving certain agreed-upon financial targets. We record the contingent consideration at its fair value at the acquisition date. Generally, we have entered into arrangements with contingent consideration that require payments in cash. As such, each quarter, we revalue the contingent consideration obligations associated with certain acquisitions to their then fair value and record the change in the fair value as contingent consideration income or expense. Increases or decreases in the fair

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

value of the contingent consideration obligations can result from changes in assumed discount periods and rates, changes in the assumed timing and amount of revenue and expense estimates, and changes in assumed probability adjustments with respect to regulatory approval. Significant judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, future business and economic conditions, as well as changes in any of the assumptions described above, can materially impact the amount of contingent consideration income or expense we record in any given period.

Concentration of Credit Risk and Significant Customers

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents and accounts receivable. Sales to one unaffiliated Japanese customer, the Japanese Red Cross Society, amounted to \$90.1 million, \$99.5 million, and \$95.9 million for 2013, 2012, and 2011, respectively. Accounts receivable balances attributable to this customer accounted for 9.0%, 15.3%, and 13.7% of our consolidated accounts receivable at fiscal year ended 2013, 2012, and 2011. While the accounts receivable related to the Japanese Red Cross Society may be significant, we do not believe the credit loss risk to be significant given the consistent payment history by this customer.

Certain other markets and industries can expose us to concentrations of credit risk. For example, in our commercial plasma business, our sales are concentrated with several large customers. As a result, our accounts receivable extended to any one of these commercial plasma customers can be somewhat significant at any point in time. Also, a portion of our trade accounts receivable outside the United States 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 was \$23.4 million and \$21.0 million for the fiscal years ended March 30, 2013 and March 31, 2012, may increase the average length of time it takes us to collect accounts receivable in certain regions within these countries.

Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. This Update requires an entity to disclose the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. The objective of this disclosure is to improve the reporting of reclassifications out of accumulated other comprehensive income. The amended guidance is effective for annual reporting periods beginning after December 15, 2012, and interim periods within those annual periods. We are currently evaluating the impact, if any, that the adoption of this pronouncement may have on our financial disclosures.

In October 2012, the FASB issued ASU 2012-04, *Technical Corrections and Improvements*. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification. These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will be effective for fiscal periods beginning after December 15, 2012. The adoption of ASU 2012-04 is not expected to have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU No. 2011-11 *Balance Sheet: Disclosures about Offsetting Assets and Liabilities*. This Update requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. We are currently evaluating the impact, if any, that the adoption of this pronouncement may have on our financial disclosures.

Standards Implemented

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. Update No. 2011-05 updates the disclosure requirements for comprehensive income to include total comprehensive income, the

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The updated guidance does not affect how earnings per share is calculated or presented. The updated guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, and should be applied retrospectively. We adopted this standard in the first quarter of fiscal 2013 using the two separate but consecutive statements approach. The adoption of ASU 2011-05 does not have an effect on our financial position or results of operations but changed our presentation of comprehensive income.

In September 2011, the FASB issued ASU No. 2011-08, Testing Goodwill for Impairment ("ASU 2011-08"), which changes the way a company completes its annual impairment review process. The provisions of this pronouncement provides an entity with the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that is more likely than not that the fair value of a reporting unit is less than its carrying amount. ASU-2011-08 allows an entity the option to bypass the qualitative-assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. The pronouncement does not change the current guidance for testing other indefinite-lived intangible assets for impairment. This standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We adopted these provisions in 2012. The adoption of ASU 2011-08 did not have a material effect on our financial position or results of operations.

3. ACQUISITIONS

Acquisitions were completed in fiscal 2013 and fiscal 2011 as part of our growth initiatives. We did not complete any acquisitions during fiscal 2012.

Fiscal Year 2013 Acquisition

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 (the "Purchase Agreement") with Pall. We refer to the acquired business as the "whole blood business."

At the closing of the transaction, we paid a total consideration of \$535.2 million in cash and \$0.5 million in shares following resolution of post-closing adjustments for working capital and historical earnings levels. 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 entered into a credit agreement on August 1, 2012 in connection with the transaction which includes a \$475.0 million term loan to fund the majority of the cash paid to Pall. See Note 8 for a detailed description of the key terms and provisions of the credit 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 assets and liabilities acquired from Pall were recorded at fair value at the date of acquisition. During the current period, we updated the fair value of assets and liabilities recorded as of the date of acquisition with a corresponding adjustment to goodwill to reflect such updates to the allocation of purchase price. There were no significant changes to the consolidated statement of income during fiscal 2013 as a result of the changes to fair value.

The allocation of purchase price is preliminary, and subject to change based primarily on finalization of the assessment of the value of deferred taxes and assumed liabilities. We expect to complete these valuations by June 30, 2013.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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 March 30, 2013 (Provisional)
<i>(In thousands)</i>	
Inventories	\$ 49,917
Property, plant and equipment	85,984
Intangible assets	188,500
Other assets/liabilities, net	(6,166)
Goodwill	216,940
Fair value of net assets acquired	<u>\$ 535,175</u>

The adjusted fair value of the acquired assets and liabilities are reflected in the Consolidated Balance Sheets.

The provisional allocation of purchase price changed as compared to the initial allocation as of September 29, 2012 as follows: inventory was reduced by \$2.5 million, property, plant and equipment increased \$15.3 million, intangible assets decreased \$18.3 million, assumed liabilities increased \$4.4 million and goodwill increased by \$9.9 million.

The \$188.5 million of acquired intangible assets was allocated to acquired technology and customer relationships at fair values of \$61.0 million and \$127.5 million, respectively. The acquired assets are amortized over the estimate of their useful lives of 12 years on a straight-line basis. We adopted the straight-line amortization and shortened the useful lives to 12 years as it best reflects the pattern of benefits. We recorded \$10.5 million in amortization expense relating to the acquired intangible assets for the fiscal year ended March 30, 2013.

Goodwill represents the excess of the purchase price over the fair value of the net assets. Goodwill of \$216.9 million represents future economic benefits expected to arise from work force at the various plants and locations and significant technological know-how in filter manufacturing. All of the domestic goodwill is deductible for tax purposes.

Revenue for the whole blood business from acquisition was \$138.4 million.

We recognized \$3.2 million and \$3.0 million of transaction costs related to the whole blood acquisition in the selling, general and administrative line item in the accompanying consolidated statements of income for the fiscal years ended March 30, 2013 and March 31, 2012, respectively.

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

<i>(In thousands)</i>	March 30, 2013	March 31, 2012
Net sales	\$ 963,923	\$ 963,643
Net income	56,540	77,984
Basic earnings per share	\$ 1.10	\$ 1.54
Diluted earnings per share	\$ 1.08	\$ 1.51

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. As our acquisition of the whole blood business was completed on August 1, 2012, the pro-forma adjustments for the fiscal year ended March 30, 2013 in the table below only include the required adjustments through August 1, 2012.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

<i>(In thousands)</i>	March 30, 2013	March 31, 2012
Transaction costs (1)	\$ 3,184	\$ 3,000
Amortization of inventory fair value adjustment (2)	11,948	(11,948)
Amortization of acquired intangible assets (3)	(5,236)	(15,708)
Interest expense incurred on acquisition financing (4)	(3,173)	(9,520)
Selling, general and administrative expenses (5)	(3,513)	(10,540)

- (1) Eliminated transactions costs as these non-recurring costs were incurred in fiscal 2013.
- (2) Added additional expense in the period ended March 31, 2012 to reflect the inventory fair value adjustments which would have been amortized had the transaction been consummated on April 3, 2011 as the corresponding inventory would have been completely sold during the first two quarters of 2011. Also, deducted the actual inventory fair value adjustment recorded in the fiscal year ended March 30, 2013 to reflect the pro-forma consumption of inventory in 2011.
- (3) Added additional amortization of the acquired whole blood intangible assets recognized at fair value in purchase accounting.
- (4) Added additional interest expense for the debt used to finance the acquisition.
- (5) 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. Actual incremental investments may differ from these estimates.

Prior to the acquisition, we had purchased filters from the whole blood business for inclusion in some of our devices. The transactional value between both parties approximated \$10.0 million which was recorded by Pall as revenue and by us as a cost of sale. At the acquisition date, we owed Pall \$1.4 million which has been settled as of March 30, 2013.

Fiscal Year 2011 Acquisition

ACCS Acquisition

On December 28, 2010, Haemonetics acquired certain assets of Applied Critical Care Services, Inc. (ACCS) for \$6.4 million. ACCS was a manufacturer's representative for Haemonetics engaged in the selling and servicing of the TEG analyzer product line. The purchase price was allocated to customer relationships of \$4.5 million, other liabilities of \$0.8 million, and goodwill of \$2.7 million. Pro forma information is not provided as it is immaterial.

4. 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.

<i>(In thousands)</i>	March 30, 2013	March 31, 2012
Warranty accrual as of the beginning of the period	\$ 796	\$ 1,273
Warranty provision	1,180	2,430
Warranty spending	(1,303)	(2,907)
Warranty accrual as of the end of the period	<u>\$ 673</u>	<u>\$ 796</u>

5. 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.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

<i>(In thousands)</i>	March 30, 2013	March 31, 2012
Raw materials	\$ 70,716	\$ 41,219
Work-in-process	7,829	4,640
Finished goods	105,239	71,304
	<u>\$ 183,784</u>	<u>\$ 117,163</u>

6. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for fiscal 2013 and 2012 are as follows:

<i>(In thousands)</i>	
Carrying amount as of April 2, 2011	\$ 115,367
Effect of change in foreign currency exchange rates	(309)
Carrying amount as of March 31, 2012	<u>\$ 115,058</u>
Whole blood business (a)	216,940
Effect of change in foreign currency exchange rates	(1,524)
Carrying amount as of March 30, 2013	<u>\$ 330,474</u>

(a) See Note 3, Acquisitions, for a full description of the acquisition of the whole blood assets, which occurred on August 1, 2012.

Intangible Assets

Intangible assets include the value assigned to license rights and other developed technology, patents, customer contracts and relationships and a trade name. The estimated useful lives for all of these intangible assets are 2 to 19 years.

Aggregate amortization expense for amortized intangible assets for fiscal year 2013, 2012, and 2011 was \$22.1 million, \$11.4 million, and \$11.1 million, respectively. Future annual amortization expense on intangible assets is expected to approximate \$26.2 million for fiscal year 2014, \$24.9 million for fiscal year 2015, \$24.6 million for fiscal year 2016, \$24.5 million for fiscal year 2017 and \$23.7 million for fiscal year 2018.

	Gross Carrying Amount	Accumulated Amortization	Net	Weighted Average Useful Life
	<i>(In thousands)</i>	<i>(In thousands)</i>	<i>(In thousands)</i>	<i>(In years)</i>
As of March 30, 2013				
Patents	\$ 8,706	\$ 6,397	\$ 2,309	10
Capitalized software	26,841	2,333	24,508	6
Other developed technology	99,486	24,843	74,643	12
Customer contracts and related relationships	196,365	36,552	159,813	12
Trade names	5,383	2,268	3,115	10
Total intangibles	<u>\$ 336,781</u>	<u>\$ 72,393</u>	<u>\$ 264,388</u>	11
As of March 31, 2012				
Patents	\$ 13,463	\$ 7,843	\$ 5,620	11
Capitalized software	20,597	1,394	19,203	6
Other developed technology	42,693	20,120	22,573	11
Customer contracts and related relationships	69,361	23,639	45,722	12
Trade names	5,408	1,977	3,431	10
Total intangibles	<u>\$ 151,522</u>	<u>\$ 54,973</u>	<u>\$ 96,549</u>	11

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The changes to the net carrying value of our intangible assets from March 31, 2012 to March 30, 2013 reflect acquisition of the whole blood intangible assets, amortization expense and the effect of exchange rate changes in the translation of our intangible assets held by our international subsidiaries. Also contributing to the change was an asset write-off recorded in the fourth quarter of fiscal 2013 associated with exiting activities related to technologies originally acquired from Arryx, Inc. The total asset write-off related to abandoning Arryx-related assets was \$4.2 million, net of \$0.9 million of proceeds from the sale of certain intellectual property.

7. DERIVATIVES AND FAIR VALUE MEASUREMENTS

We manufacture, market and sell our products globally. For the fiscal year ended March 30, 2013, approximately 49.0% of our sales were generated outside the U.S. in local currencies. We also incur certain manufacturing, marketing and selling costs in international markets in local currency.

Accordingly, our earnings and cash flows are exposed to market risk from changes in foreign currency exchange rates relative to the U.S. Dollar, our reporting currency. We have a program in place that is designed to mitigate our exposure to changes in foreign currency exchange rates. That program includes the use of derivative financial instruments to minimize for a period of time, the unforeseen impact on our financial results from changes in foreign exchange rates. We utilize 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, 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 March 30, 2013 and March 31, 2012 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 in the Statement of Stockholders' Equity until the related third-party transaction occurs. Once the related third-party transaction occurs, we reclassify the effective portion of any related gain or loss on the designated foreign currency hedge contracts to earnings. In the event the hedged forecasted transaction does not occur, or it becomes probable that it will not occur, we would reclassify the amount of any gain or loss on the related cash flow hedge to earnings at that time. We had designated foreign currency hedge contracts outstanding in the contract amount of \$133.3 million as of March 30, 2013 and \$162.1 million as of March 31, 2012.

During fiscal 2013, we recognized net gains of \$2.5 million in earnings on our cash flow hedges, compared to recognized net losses of \$3.2 million and \$0.8 million during fiscal 2012 and 2011, respectively. For the fiscal year ended March 30, 2013, \$5.1 million of gains, net of tax, were recorded in 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 gains of \$3.1 million, net of tax, for the fiscal year ended March 31, 2012 and net losses of \$4.1 million, net of tax, for the fiscal year ended April 2, 2011. At March 30, 2013, gains of \$5.1 million, net of tax, may be reclassified to earnings within the next twelve months. All currency cash flow hedges outstanding as of March 30, 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 \$65.6 million as of March 30, 2013 and \$45.5 million as of March 31, 2012.

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, the Company 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, the Company has chosen to borrow against the 1-month USD-LIBOR-BBA rounded up, if necessary, to the nearest 1/16th of 1% ("Adjusted LIBOR"). The terms of the Credit

HAEMONETICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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.

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. The Company designated the interest rate swaps as a cash flow hedge of variable interest rate risk associated with \$250.0 million of indebtedness. For the fiscal year ended March 30, 2013, \$0.8 million of losses, net of tax, were 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. At March 30, 2013, losses of \$0.1 million may be reclassified to earnings within the next twelve months.

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 for the fiscal year ended March 30, 2013.

Derivative Instruments	Amount of Gain/(Loss) Recognized in OCI (Effective Portion)	Amount of Gain/(Loss) Reclassified from OCI into Earnings (Effective)	Location in Statement of Operations	Amount of Gain/(Loss) Excluded from Effectiveness Testing (*)	Location in Statement of Operations
<i>(In thousands)</i>					
Designated foreign currency hedge contracts, net of tax	\$ 5,104	\$ 2,746	Net revenues, COGS, and SG&A	\$ (337)	Other income (expense), net
Non-designated foreign currency hedge contracts	—	—		\$ 1,214	Other income (expense)
Designated interest rate swaps, net of tax	\$ (779)	\$ (269)	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 March 30, 2013 or March 31, 2012. Amounts recognized as deferred tax benefits in fiscal 2013 for designated foreign currency and interest rate swap hedges were \$1.7 million and \$0.3 million, respectively.

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 March 30, 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 March 30, 2013 and March 31, 2012 by type of contract and whether it is a qualifying hedge under ASC Topic 815.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

<i>(In thousands)</i>	Location in Balance Sheet	Balance as of March 30, 2013	Balance as of March 31, 2012
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	\$ 7,030	\$ 6,186
		<u>\$ 7,030</u>	<u>\$ 6,186</u>
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other current liabilities	\$ 954	\$ 1,185
Designated interest rate swaps	Other current liabilities	671	—
		<u>\$ 1,625</u>	<u>\$ 1,185</u>

For the fiscal years ended March 30, 2013 and March 31, 2012, non-designated foreign currency hedge contracts were not significant and are not disclosed separately in the above table.

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 fiscal years ended March 30, 2013 and March 31, 2012, 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 March 30, 2013 and March 31, 2012:

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As of March 30, 2013	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	<i>(In thousands)</i>	<i>(In thousands)</i>	<i>(In thousands)</i>	<i>(In thousands)</i>
Assets				
Money market funds	\$ 141,120	\$ —	\$ —	\$ 141,120
Foreign currency hedge contracts	—	7,030	—	7,030
	<u>\$ 141,120</u>	<u>\$ 7,030</u>	<u>\$ —</u>	<u>\$ 148,150</u>
Liabilities				
Foreign currency hedge contracts	\$ —	\$ 954	\$ —	\$ 954
Interest rate swap	—	671	—	671
	<u>\$ —</u>	<u>\$ 1,625</u>	<u>\$ —</u>	<u>\$ 1,625</u>

As of March 31, 2012	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	<i>(In thousands)</i>	<i>(In thousands)</i>	<i>(In thousands)</i>	<i>(In thousands)</i>
Assets				
Money market funds	\$ 194,574	\$ —	\$ —	\$ 194,574
Forward currency hedge contracts	—	6,186	—	6,186
	<u>\$ 194,574</u>	<u>\$ 6,186</u>	<u>\$ —</u>	<u>\$ 200,760</u>
Liabilities				
Forward currency hedge contracts	\$ —	\$ 1,185	\$ —	\$ 1,185
	<u>\$ —</u>	<u>\$ 1,185</u>	<u>\$ —</u>	<u>\$ 1,185</u>

For the fiscal years ended March 30, 2013 and March 31, 2012, non-designated foreign currency hedge contracts were not significant and are not disclosed separately in the above tables.

Release of Neoteric Contingent Consideration

Under ASC Topic 805, *Business Combinations*, we established a liability for payments to former shareholders of Neoteric which were contingent on the performance of the Blood Track business in the first three years post-acquisition, beginning with fiscal 2010. We have reviewed the expected performance versus the performance thresholds for payment. Because the expected performance thresholds will not be achieved, we recorded an adjustment to the fair value of the contingent consideration liability. This appears as contingent consideration income of \$1.6 million in the accompanying consolidated statements of income for the fiscal year ended March 31, 2012.

In September 2011, we entered into an agreement to release the Company from the contingent consideration due to the former shareholders of Neoteric. Under the terms of the agreement, the former shareholders of Neoteric received \$0.7 million in exchange for releasing the Company from any future claims for contingent consideration. The Company paid the \$0.7 million settlement amount during September 2011 and has recorded the associated expense in the selling, general and administrative line item in the accompanying consolidated statements of income.

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.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. NOTES PAYABLE AND LONG-TERM DEBT

Notes payable and long-term debt consisted of the following:

<i>(In thousands)</i>	<u>March 30, 2013</u>	<u>March 31, 2012</u>
Term loan, net of financing fees	\$ 471,016	\$ —
Real estate mortgage	2,877	3,771
Bank loan	6,201	—
Less current portion	(23,150)	(894)
Long term debt	<u>\$ 456,944</u>	<u>\$ 2,877</u>

On August 1, 2012 in connection with the acquisition of the whole blood business, we entered into a credit agreement ("Credit Agreement") with the banks listed below (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.

Under the terms of this Credit Agreement, the Company 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, the Company has chosen to borrow against the 1-month USD-LIBOR-BBA rounded up, if necessary, to the nearest 1/16th of 1%. The terms of the Credit Agreement also allow the Company to borrow in multiple tranches. While the Company currently borrows in a single tranche, in the future, it may choose to borrow in multiple tranches.

At closing, we borrowed the Term Loan and used the proceeds to pay Pall for the acquisition of the assets described in Note 3. The \$475.0 million Term Loan bears interest at variable rates determined by Adjusted LIBOR plus a range of 1.125% to 1.500% depending on the achievement of certain leverage ratios. The Revolving Credit Facility bears interest at variable rates similar to the Term Loan. The current margin of the Term Loan is 1.375% over Adjusted LIBOR and our effective interest rate inclusive of prepaid financing costs and other fees was 2.00% as of March 30, 2013.

Revolving loans may be borrowed, repaid and re-borrowed to fund our working capital needs and for other general corporate purposes. No amounts were outstanding under the Revolving Credit Facility at March 30, 2013. The Term Loan or portions thereof may be prepaid at any time, or from time to time without penalty. Once repaid, such amount may not be re-borrowed. The principal amount of the term loan is repayable quarterly over five years and amortizes as follows:

Fiscal Year	Term Loan Amortization Schedule
<i>(In thousands)</i>	
2014	\$ 17,813
2015	\$ 47,500
2016	\$ 71,250
2017	\$ 190,000
2018	\$ 148,438

Under the Credit Facilities, we are required to maintain a Consolidated Total Leverage Ratio not to exceed 3.0:1.0 and a Consolidated Interest Coverage Ratio not to be less than 4.0:1.0 during periods when the Credit Facilities are outstanding. In addition, we are required to satisfy these covenants, on a pro forma basis, in connection with any new borrowings (including any letter of credit issuances) on the Revolving Credit Facility as of the time of such borrowings. The Consolidated Interest Coverage Ratio is calculated as the Consolidated EBITDA divided by Consolidated Interest Expense while the Consolidated Total Leverage Ratio is calculated as Consolidated Total Debt divided by Consolidated EBITDA. Consolidated EBITDA includes EBITDA adjusted by non-recurring and unusual transactions specifically as defined in the Credit Facilities.

The Credit Facilities also contain usual and customary non-financial affirmative and negative covenants which include certain restrictions with respect to subsequent indebtedness, liens, loans and investments (including acquisitions), financial reporting

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

obligations, mergers, consolidations, dissolutions or liquidation, asset sales, affiliate transactions, change of our business, capital expenditures, share repurchase and other restricted payments. These covenants are subject to important exceptions and qualifications set forth in the Credit Agreement.

Any failure to comply with the financial and operating covenants of the Credit Facilities would prevent us from being able to borrow additional funds and would constitute a default, which could result in, among other things, the amounts outstanding including all accrued interest and unpaid fees, becoming immediately due and payable. In addition, the Credit Facilities include customary events of default, in certain cases subject to customary cure periods. As of March 30, 2013, we were in compliance with the covenants.

Commitment fee

Pursuant to the Credit Agreement we are required to pay the Lenders, on the last day of each calendar quarter, a commitment fee on the unused portion of the Revolving Credit Facility. The commitment fee is subject to a pricing grid based on our Consolidated Total Leverage Ratio. The commitment fee ranges from 0.175% to 0.300%. The current commitment fee on the undrawn portion of the Revolving Credit Facility is 0.250%.

We may elect to increase the size of the Revolving Credit Facility from \$50.0 million to \$100.0 million. Alternatively, we may elect to enter into additional term loans up to a \$100.0 million combined limit with the Revolving Credit Facility. These elections are subject to the approval of the Administrative Agent and the identification of additional Lenders or current Lenders willing to increase their loan amounts per the terms and conditions contained in the Credit Agreement.

Debt issuance costs and interest

Expenses associated with the issuance of the Term Loan were capitalized and are amortized over the five years using the effective interest method. In connection with the Term Loan, we recorded deferred financing costs of \$5.5 million, of which \$4.0 million remains as a debt discount. The debt discount is netted against the \$475.0 million Term Loan, resulting in a net note payable of \$471.0 million. The debt discount will also be amortized over the life of the notes.

Interest expense was \$5.9 million and \$0.4 million for the fiscal years ended March 30, 2013 and March 31, 2012, respectively. Accrued interest associated with our outstanding debt is included as a component of accrued expenses and other current liabilities in the accompanying condensed consolidated balance sheets. As of March 30, 2013, accrued interest totaled \$0.1 million.

Parties to the credit facilities

The Lenders party to the Credit Agreement are JP Morgan Chase Bank, N.A., as Administrative Agent, Citibank, N.A. as Syndication Agent, J P Morgan Securities LLC and Citibank, N.A. as Joint Lead Arrangers and Joint Bookrunners, Bank of America, N.A., RBS Citizens, N.A., HSBC Bank USA, N.A., Wells Fargo Bank, N.A., Sumitomo Mitsui Banking Corporation, TD Bank, N.A. and US Bank, N.A. as Co-Documentation Agents, Union Bank, N.A., PNC Bank, National Association and Sovereign Bank, N.A. as Senior Managing Agents and the syndicate lenders that are parties thereto.

Other Credit Facilities

The other debt as of March 30, 2013 includes the real estate mortgage loan of \$2.9 million and short term bank borrowings of \$6.2 million under operating lines of credit.

In December 2000, we entered into a \$10.0 million real estate mortgage agreement (the "Mortgage Agreement") with an investment firm. The Mortgage Agreement requires principal and interest payments of \$0.1 million per month for a period of 180 months, commencing February 1, 2001. The entire balance of the loan may be repaid at any time after February 1, 2006, subject to a prepayment premium, which is calculated based upon the change in the current weekly average yield of Ten (10)-year U.S. Treasury Constant Maturities, the principal balance due and the remaining loan term. The Mortgage Agreement provides for interest to accrue on the unpaid principal balance at a rate of 8.41% per annum. Borrowings under the Mortgage Agreement, with a carrying value of approximately \$2.9 million and \$3.8 million as of March 30, 2013 and March 31, 2012, respectively, are secured by the land, building and building improvements at our headquarters and manufacturing facility in the U.S.. There are no financial covenants in the terms and conditions of this agreement.

There are short term borrowings of \$5.6 million in Japan resulting from fluctuation in their working capital.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Maturity Profile

The maturity profile of long-term debt as of March 30, 2013, after deducting prepaid financing costs is presented below.

Fiscal Year Ending	
<i>(In thousands)</i>	
2014	\$ 23,150
2015	47,553
2016	71,416
2017	189,556
2018	148,419
	\$ 480,094

9. INCOME TAXES

Domestic and foreign income before provision for income tax is as follows:

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011
Domestic	\$ 17,360	\$ 40,666	\$ 58,040
Foreign	32,537	48,832	52,041
Total	\$ 49,897	\$ 89,498	\$ 110,081

The income tax provision contains the following components:

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011
Current			
Federal	\$ 3,795	\$ 8,505	\$ 14,982
State	1,324	2,275	2,111
Foreign	5,389	5,954	7,226
Total current	\$ 10,508	\$ 16,734	\$ 24,319
Deferred			
Federal	1,644	7,522	4,931
State	(229)	(597)	438
Foreign	(826)	(1,047)	413
Total deferred	\$ 589	\$ 5,878	\$ 5,782
Total	\$ 11,097	\$ 22,612	\$ 30,101

Included in the federal income tax provisions for fiscal 2013, 2012 and 2011 are approximately \$1.6 million, \$2.2 million and \$10.8 million, respectively, provided on foreign source income of approximately \$4.5 million, \$6.2 million and \$31.0 million for fiscal years 2013, 2012 and 2011, respectively, for taxes which are payable in the United States.

Tax affected, significant temporary differences comprising the net deferred tax liability are as follows:

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

<i>(In thousands)</i>	March 30, 2013	March 31, 2012
Depreciation	\$ (25,186)	\$ (17,208)
Amortization	(14,776)	(19,249)
Inventory	7,884	4,224
Hedging	(162)	(589)
Accruals and reserves	7,208	6,352
Net operating loss carry-forward	1,877	3,354
Stock based compensation	7,834	8,649
Tax credit carry-forward, net	2,243	2,328
Gross deferred taxes	\$ (13,078)	\$ (12,139)
Less valuation allowance	(1,009)	(1,569)
Net deferred tax liability	<u>\$ (14,087)</u>	<u>\$ (13,708)</u>

As of March 30, 2013, we have approximately \$1.9 million in U.S. acquisition and \$0.6 million in foreign related net operating loss carry forwards that it believes are more likely than not that they will be realized. We also have \$2.6 million in gross federal and state tax credits available to offset future tax. We have established valuation allowances to reduce the value of tax assets to amounts that it deems to be realizable. The valuation allowance is made up of \$0.4 million acquisition related R&D credits and \$0.6 million acquisition related net operating losses for fiscal 2013 and \$0.4 million and \$1.2 million respectively for fiscal 2012. The net operating loss carry forwards are subject to separate limitations and will expire beginning in 2020.

Approximately \$200.0 million of our foreign subsidiary undistributed earnings are deemed to be permanently reinvested outside the U.S. Accordingly, we have not provided U.S. income taxes on these earnings. The income tax provision from operations differs from tax provision computed at the 35% U.S. federal statutory income tax rate due to the following:

<i>(In thousands)</i>	March 30, 2013		March 31, 2012		April 2, 2011	
Tax at federal statutory rate	\$ 17,464	35.0 %	\$ 31,324	35.0 %	\$ 38,528	35.0 %
Domestic manufacturing deduction	(504)	(1.0)%	(700)	(0.8)%	(1,120)	(1.0)%
Difference between U.S. and foreign tax	(5,584)	(11.2)%	(8,539)	(9.5)%	(8,610)	(7.9)%
State income taxes net of federal benefit	718	1.4 %	1,136	1.3 %	1,741	1.6 %
Repatriation of earnings	—	— %	—	— %	(506)	(0.5)%
Research credit	(799)	(1.6)%	(752)	(0.9)%	(209)	(0.2)%
Other, net	(198)	(0.4)%	143	0.2 %	277	0.3 %
Income tax provision	<u>\$ 11,097</u>	<u>22.2 %</u>	<u>\$ 22,612</u>	<u>25.3 %</u>	<u>\$ 30,101</u>	<u>27.3 %</u>

Unrecognized Tax Benefits

Unrecognized tax benefits represent uncertain tax positions for which reserves have been established. As of March 30, 2013, we had \$6.9 million of unrecognized tax benefits, of which \$6.7 million will impact the effective tax rate, if recognized. As of March 31, 2012, we had \$6.9 million of unrecognized tax benefits, of which \$6.6 million will impact the effective tax rate, if recognized.

During the fiscal year ended March 30, 2013 our unrecognized tax benefits were increased by \$0.5 million as a result of additional tax benefits arising in the prior year return and current year.

The following table summarizes the activity related to our gross unrecognized tax benefits for the fiscal years ended March 30, 2013, March 31, 2012 and April 2, 2011:

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011
Beginning Balance	\$ 6,885	\$ 4,669	\$ 4,620
Additions based upon positions related to the current year	1,192	1,124	20
Additions for tax positions of prior years	18	1,216	1,641
Reductions of tax positions	—	(124)	(1,042)
Settlements with taxing authorities	(80)	—	—
Closure of statute of limitations	(1,085)	—	(570)
Ending Balance	<u>\$ 6,930</u>	<u>\$ 6,885</u>	<u>\$ 4,669</u>

As of March 30, 2013 we anticipate that the liability for unrecognized tax benefits for uncertain tax positions could change by up to \$0.4 million in the next twelve months, as a result of closure of various foreign statutes of limitations.

Our historic practice has been and continues to be to recognize interest and penalties related to Federal, state and foreign income tax matters in income tax expense. Approximately \$0.8 million and \$1.0 million is accrued for interest at March 30, 2013 and March 31, 2012, respectively and is not included in the amounts above.

We conduct business globally and, as a result, file consolidated and separate Federal, state and foreign income tax returns in multiple jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world. With a few exceptions overseas, we are no longer subject to U.S. federal, state and local, or foreign income tax examinations for years before 2009.

10. COMMITMENTS AND CONTINGENCIES

We lease facilities and certain equipment under operating leases expiring at various dates through fiscal 2020. Facility leases require us to pay certain insurance expenses, maintenance costs and real estate taxes.

Approximate future basic rental commitments under operating leases as of March 30, 2013 are as follows (in thousands):

Fiscal Year Ending

<i>(In thousands)</i>	
2014	\$ 7,742
2015	6,321
2016	3,445
2017	2,103
2018	1,685
Thereafter	2,689
	<u>\$ 23,985</u>

Rent expense in fiscal 2013, 2012, and 2011 was \$7.0 million, \$6.1 million, and \$6.6 million, respectively. Some of the Company's operating leases include renewal provisions, escalation clauses and options to purchase the facilities that we lease.

We are presently engaged in various legal actions, and although our ultimate liability cannot be determined at the present time, we believe 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. We have recorded inventory reserves of \$7.0 million in cost of goods sold within the consolidated statement of income for the fiscal year ended March 30, 2013 for removal of affected whole blood collection sets from inventory for destruction or rework. We will pursue all available means of financial recovery related to this inventory loss. However, no salvage or recovery value from these efforts was recorded as we cannot currently conclude whether a favorable outcome will result.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During the first quarter of fiscal 2012, we received customer complaints in Europe regarding a quality issue with our High Separation Core Bowl (“HS Core”), a plasma disposable product used primarily to collect plasma for transfusion. Certain of these customers also made subsequent claims regarding financial losses alleged to have been incurred as a result of this matter. Certain of these claims were recoverable under our product liability insurance policy. To date, we have recognized a \$10.3 million liability offset by insurance receivables of \$8.2 million and an expense of \$2.1 million. We collected \$4.4 million of insurance receivables during fiscal 2013, which has been classified as an operating cash flow. For the fiscal year ended March 30, 2013, only \$0.2 million of the liability remains outstanding. We do not expect to record additional material claims or insurance recoveries related to this matter.

For the past six years, we have pursued patent infringement lawsuits against Fenwal Inc. seeking an injunction and damages from their infringement of a Haemonetics patent, through the sale of the ALYX brand automated red cell collection system, a competitor of our automated red cell collection systems.

Currently, we are pursuing a patent infringement action in Germany against Fenwal (Fresenius), and its European and German subsidiary. On September 20, 2010, we filed a patent infringement action in Germany. In response, Fenwal filed an action to invalidate the Haemonetics patent which is the subject of this infringement action on December 1, 2010.

In April 2008, our subsidiary Haemonetics Italia, Srl. and two of its employees were found guilty by a court in Milan, Italy of charges arising from allegedly improper payments made under a consulting contract with a local physician and in pricing products under a tender from a public hospital. The two employees found guilty in this matter are no longer employed by the Company. On June 14, 2011, the final level appeals court affirmed these verdicts. There are no further appeals available and the convictions are now final. In connection with this conviction, our Italian subsidiary is liable to pay a fine of €147,500 and a proportionate share of the cost of the proceedings. The final amount has not yet been determined.

When this matter first arose, our Board of Directors commissioned independent legal counsel to conduct investigations on its behalf. Based upon its evaluation of counsel's report, the Board concluded that no disciplinary action was warranted in either case. Neither the original ruling nor its final affirmation has impacted the Company's business in Italy to date.

11. CAPITAL STOCK

Stock Plans

The Company has an incentive compensation plan, (the “2005 Incentive Compensation Plan”). The 2005 Incentive Compensation Plan permits the award of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, deferred stock/restricted stock units, other stock units and performance shares to the Company’s key employees, officers and directors. The 2005 Incentive Compensation Plan is administered by the Compensation Committee of the Board of Directors (the “Committee”) consisting of three independent members of our Board of Directors. The maximum number of shares available for award under the 2005 Incentive Compensation Plan is 15,024,920. The maximum number of shares that may be issued pursuant to incentive stock options may not exceed 500,000. Any shares that are subject to the award of stock options shall be counted against this limit as one (1) share for every one (1) share issued. Any shares that are subject to awards other than stock options shall be counted against this limit as 3.26 shares for every one (1) share granted. The exercise price for the non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, deferred stock/restricted stock units, other stock units and performance shares granted under the 2005 Incentive Compensation Plan is determined by the Committee, but in no event shall such exercise price be less than the fair market value of the common stock at the time of the grant. Options, Restricted Stock Awards and Restricted Stock Units become exercisable, or in the case of restricted stock, the resale restrictions are released in a manner determined by the Committee, generally over a four year period for employees and one year from grant for non-employee directors, and all options expire not more than 7 years from the date of the grant. At March 30, 2013, there were 3,876,780 shares subject to options, 354,589 shares of restricted stock outstanding and no shares subject to restricted stock units outstanding under this plan and 6,596,195 shares available for future grant.

The Company had a long-term incentive stock option plan and a non-qualified stock option plan, (the “2000 Long-term Incentive Plan”) which permitted the issuance of a maximum of 7,000,000 shares of our common stock pursuant to incentive and non-qualified stock options granted to key employees, officers and directors. The plan was terminated in connection with the adoption of the 2005 Incentive Compensation Plan. At March 30, 2013, there were 192,978 options outstanding under this plan and no further options will be granted under this plan.

HAEMONETICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company has an Employee Stock Purchase Plan (the “Purchase Plan”) under which a maximum of 1,400,000 shares (subject to adjustment for stock splits and similar changes) of common stock may be purchased by eligible employees. Substantially all of our full-time employees are eligible to participate in the Purchase Plan.

The Purchase Plan provides for two “purchase periods” within each of our fiscal years, the first commencing on November 1 of each year and continuing through April 30 of the next calendar year, and the second commencing on May 1 of each year and continuing through October 31 of such year. Shares are purchased through an accumulation of payroll deductions (of not less than 2% nor more than 15% of compensation, as defined) for the number of whole shares determined by dividing the balance in the employee’s account on the last day of the purchase period by the purchase price per share for the stock determined under the Purchase Plan. The purchase price for shares is the lower of 85% of the fair market value of the common stock at the beginning of the purchase period, or 85% of such value at the end of the purchase period.

Stock-based compensation expense of \$11.0 million, \$9.3 million, and \$10.8 million was recognized under ASC Topic 718, *Compensation — Stock Compensation*, for the fiscal year ended March 30, 2013, March 31, 2012, and April 2, 2011, respectively. The related income tax benefit recognized was \$3.5 million, \$2.7 million, and \$3.7 million for the fiscal year ended March 30, 2013, March 31, 2012, and April 2, 2011, respectively. We recognize stock-based compensation on a straight line basis.

ASC Topic 718 requires that cash flows relating to the benefits of tax deductions in excess of stock compensation cost recognized be reported as a financing cash flow, rather than as an operating cash flow. This excess tax benefit was \$4.1 million, \$1.4 million, and \$3.1 million for the fiscal year ended March 30, 2013, March 31, 2012, and April 2, 2011, respectively.

A summary of stock option activity for the fiscal year ended March 30, 2013 is as follows:

	Options Outstanding (shares)	Weighted Average Exercise Price per Share	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value (\$000's)
Outstanding at March 31, 2012	4,847,134	\$ 26.15	3.87	\$ 42,134
Granted	904,998	38.60		
Exercised	(1,402,298)	22.86		
Forfeited	(280,076)	29.05		
Outstanding at March 30, 2013	<u>4,069,758</u>	\$ 29.85	4.31	\$ 48,061
Exercisable at March 30, 2013	2,052,602	\$ 26.42	4.22	\$ 31,287
Vested or expected to vest at March 30, 2013	3,838,353	\$ 29.56	3.09	\$ 46,433

The total intrinsic value of options exercised was \$20.9 million, \$8.5 million, and \$26.5 million during fiscal 2013, 2012, and 2011, respectively.

As of March 30, 2013, there was \$12.1 million of total unrecognized compensation cost related to non-vested stock options. This cost is expected to be recognized over a weighted average period of 2.5 years.

The fair value was estimated using the Black-Scholes option-pricing model based on the weighted average of the high and low stock prices at the grant date and the weighted average assumptions specific to the underlying options. Expected volatility assumptions are based on the historical volatility of our common stock. The risk-free interest rate was selected based upon yields of U.S. Treasury issues with a term equal to the expected life of the option being valued. The expected life of the option was estimated with reference to historical exercise patterns, the contractual term of the option and the vesting period. The assumptions utilized for option grants during the periods presented are as follows:

	March 30, 2013	March 31, 2012	April 2, 2011
Volatility	26.4%	27.5%	28.2%
Expected life (years)	4.9	4.9	4.9
Risk-free interest rate	0.8%	1.1%	1.8%
Dividend yield	0.0%	0.0%	0.0%

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The weighted average grant date fair value of options to purchase one share granted during 2013, 2012, and 2011 was approximately \$9.76, \$8.16, and \$7.92, respectively.

We have applied, based on an analysis of our historical forfeitures, an annual forfeiture rate of 8% to all unvested stock options as of March 30, 2013 and March 31, 2012, which represents the portion that we expect will be forfeited each year over the vesting period.

The fair values of shares purchased under the Employee Stock Purchase Plan are estimated using the Black-Scholes single option-pricing model with the following weighted average assumptions:

	March 30, 2013	March 31, 2012	April 2, 2011
Volatility	24.9%	26.3%	21.1%
Expected life (months)	6	6	6
Risk-free interest rate	0.2%	0.1%	0.2%
Dividend Yield	0.0%	0.0%	0.0%

The weighted average grant date fair value of the six-month option inherent in the Purchase Plan was approximately \$8.50, \$7.10, and \$5.87 during fiscal 2013, 2012, and 2011, respectively.

Restricted Stock Awards

As of March 30, 2013, there was no unrecognized compensation cost related to non-vested restricted stock awards.

Restricted Stock Units

As of March 30, 2013, there was \$8.3 million of total unrecognized compensation cost related to non-vested restricted stock units. This cost is expected to be recognized over a weighted average period of 2.6 years.

A summary of restricted stock units activity for the fiscal year ended March 30, 2013 is as follows:

	Shares	Weighted Average Market Value at Grant Date
Nonvested at March 31, 2012	321,526	\$ 25.86
Awarded	178,322	32.85
Released	(112,986)	27.47
Forfeited	(30,443)	31.23
Nonvested at March 30, 2013	<u>356,419</u>	<u>\$ 34.06</u>

Accumulated Other Comprehensive Income

A summary of the components of accumulated other comprehensive income is as follows:

<i>(In thousands)</i>	Foreign Currency Translation	Unrealized Gain/(Loss) on Derivatives, Net of Tax	Impact of Defined Benefit Plans, Net of Tax	Accumulated Other Comprehensive Income
Balance, April 3, 2010	\$ 5,271	\$ 1,454	\$ (820)	\$ 5,905
Changes during the year	6,380	(3,299)	555	3,636
Balance, April 2, 2011	\$ 11,651	\$ (1,845)	\$ (265)	\$ 9,541
Changes during the year	(2,813)	6,370	(3,988)	(431)
Balance, March 31, 2012	\$ 8,838	\$ 4,525	\$ (4,253)	\$ 9,110
Changes during the year	(4,705)	1,848	(820)	(3,677)
Balance, March 30, 2013	<u>\$ 4,133</u>	<u>\$ 6,373</u>	<u>\$ (5,073)</u>	<u>\$ 5,433</u>

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

12. 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.

<i>(In thousands, except per share amounts)</i>	<u>March 30, 2013</u>	<u>March 31, 2012</u>	<u>April 2, 2011</u>
Basic EPS			
Net income	\$ 38,800	\$ 66,886	\$ 79,980
Weighted average shares	51,349	50,727	50,154
Basic income per share	<u>\$ 0.76</u>	<u>\$ 1.32</u>	<u>\$ 1.59</u>
Diluted EPS			
Net income	\$ 38,800	\$ 66,886	\$ 79,980
Basic weighted average shares	51,349	50,727	50,154
Net effect of common stock equivalents	910	863	1,038
Diluted weighted average shares	52,259	51,590	51,192
Diluted income per share	<u>\$ 0.74</u>	<u>\$ 1.30</u>	<u>\$ 1.56</u>

Weighted average shares outstanding, assuming dilution, excludes the impact of 0.5 million, 1.4 million and 2.4 million stock options for fiscal years 2013, 2012 and 2011, respectively, because these securities were anti-dilutive during the noted periods.

13. PROPERTY, PLANT AND EQUIPMENT

Property and equipment consisted of the following:

<i>(In thousands)</i>	<u>March 30, 2013</u>	<u>March 31, 2012</u>
Land	\$ 4,216	\$ 1,136
Building and building improvements	78,682	58,680
Plant equipment and machinery	205,698	136,057
Office equipment and information technology	103,235	88,185
Haemonetics equipment	240,889	226,476
Total	<u>632,720</u>	<u>510,534</u>
Less: accumulated depreciation and amortization	(375,767)	(348,877)
Property, plant and equipment, net	<u>\$ 256,953</u>	<u>\$ 161,657</u>

Depreciation expense was \$43.4 million, \$38.6 million, and \$36.8 million for fiscal 2013, 2012, and 2011, respectively.

During fiscal 2013, there was a change in the estimated useful lives of Haemonetics equipment which resulted in a decrease in depreciation expense of \$4.5 million, an increase of \$3.3 million in net income, and an increase in basic and diluted earnings per share of \$0.09.

14. RETIREMENT PLANS

Defined Contribution Plans

We have a Savings Plus Plan that is a 401(k) plan that allows our U.S. employees to accumulate savings on a pre-tax basis. In addition, matching contributions are made to the Plan based upon pre-established rates. Our matching contributions amounted to approximately \$4.9 million in 2013, \$4.0 million in 2012, and \$3.3 million in 2011. Upon Board approval, additional

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

discretionary contributions can also be made. No discretionary contributions were made for the Savings Plan in fiscal 2013, 2012, or 2011.

Some of our subsidiaries also have defined contribution plans, to which plan both the employee and the employer make contributions. The employer contributions to these plans totaled \$2.4 million, \$0.8 million, and \$1.8 million in fiscal 2013, 2012, and 2011, respectively, of which \$1.5 million in fiscal 2011 was contributed for our employees in Switzerland.

Defined Benefit Plans

ASC Topic 715, *Compensation — Retirement Benefits*, requires an employer to: (a) recognize in its statement of financial position an asset for a plan's over-funded status or a liability for a plan's under-funded status; (b) measure a plan's assets and its obligations that determine its funded status as of the end of the employer's fiscal year (with limited exceptions); and (c) recognize changes in the funded status of a defined benefit postretirement plan in the year in which the changes occur. Accordingly, the Company is required to report changes in its funded status in comprehensive income on its Statement of Stockholders' Equity and Comprehensive Income.

Benefits under these plans are generally based on either career average or final average salaries and creditable years of service as defined in the plans. The annual cost for these plans is determined using the projected unit credit actuarial cost method that includes actuarial assumptions and estimates which are subject to change.

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

<i>(In thousands)</i>	<u>March 30, 2013</u>	<u>March 31, 2012</u>	<u>April 2, 2011</u>
Service cost	\$ 2,759	\$ 2,545	\$ 667
Interest cost on benefit obligation	639	601	283
Expected (return)/loss on plan assets	(413)	2	(467)
Actuarial (gain)/loss	196	(385)	(48)
Amortization of unrecognized prior service cost	(14)	(31)	381
Amortization of unrecognized transition obligation	48	221	30
Totals	<u>\$ 3,215</u>	<u>\$ 2,953</u>	<u>\$ 846</u>

The net periodic benefit costs shown above for fiscal 2013 and fiscal 2012 include the associated costs for the Switzerland defined benefit plan. The net periodic benefit costs for fiscal 2011 shown above have not been updated to reflect the Switzerland plan costs; these costs were approximately \$1.5 million. During fiscal 2011, the Switzerland plan was accounted for as a defined contribution plan and Company contributions to the plan were expensed.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The activity under those defined benefit plans are as follows:

<i>(In thousands)</i>	March 30, 2013	March 31, 2012
Change in Benefit Obligation:		
Benefit Obligation, beginning of year	\$ (27,150)	\$ (22,707)
Service cost	(2,759)	(2,545)
Interest cost	(639)	(601)
Benefits paid	3,210	1,952
Actuarial (loss)/gain	(1,364)	(1,244)
Employee and plan participants contribution	(2,926)	(1,728)
Plan Amendments	—	(193)
Foreign currency changes	1,502	(84)
Benefit obligation, end of year	<u>\$ (30,126)</u>	<u>\$ (27,150)</u>
Change in Plan Assets:		
Fair value of plan assets, beginning of year	\$ 18,185	\$ 15,798
Company contributions	2,381	2,156
Benefits paid	(3,210)	(1,873)
Gain/(Loss) on plan assets	397	124
Employee and plan participants contributions	2,926	1,728
Foreign currency changes	(1,102)	252
Fair value of Plan Assets, end of year	<u>\$ 19,577</u>	<u>\$ 18,185</u>
Funded Status	<u>\$ (10,549)</u>	<u>\$ (8,965)</u>
Unrecognized net actuarial loss/(gain)	5,418	4,513
Unrecognized initial obligation	184	141
Unrecognized prior service cost	138	254
Net amount recognized	<u>\$ (4,809)</u>	<u>\$ (4,057)</u>

One of the benefit plans is funded by benefit payments made by the Company. Accordingly that plan has no assets included in the information presented above. The total liability for this plan was \$5.4 million and \$4.9 million as of March 30, 2013 and March 31, 2012, respectively.

The accumulated benefit obligation for all plans was \$22.2 million and \$22.5 million for the fiscal year ended March 30, 2013 and March 31, 2012, respectively.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The components of the change recorded in our accumulated other comprehensive income related to our defined benefit plans, net of tax, are as follows (in thousands):

Balance, April 3, 2010	\$ (820)
Obligation at transition	574
Actuarial loss	(50)
Prior service cost	31
Balance as of April 2, 2011	<u>\$ (265)</u>
Obligation at transition	30
Actuarial loss	(3,701)
Prior service cost	(317)
Balance as of March 31, 2012	<u>\$ (4,253)</u>
Obligation at transition	556
Actuarial loss	(1,237)
Prior service cost	(139)
Balance as of March 30, 2013	<u><u>\$ (5,073)</u></u>

We expect to amortize \$0.6 million from accumulated other comprehensive loss during 2014.

The weighted average rates used to determine the net periodic benefit costs were as follows:

	March 30, 2013	March 31, 2012	April 2, 2011
Discount rate	1.97%	2.40%	5.30%
Rate of increased salary levels	1.42%	1.50%	2.60%
Expected long-term rate of return on assets	1.92%	2.10%	1.60%

Assumptions for expected long-term rate of return on plan assets are based upon actual historical returns, future expectations of returns for each asset class and the effect of periodic target asset allocation rebalancing. The results are adjusted for the payment of reasonable expenses of the plan from plan assets. We recognized \$0.1 million of deferred taxes in fiscal 2013.

We have no other material obligation for post-retirement or post-employment benefits.

Our investment policy for pension plans is to balance risk and return through a diversified portfolio to reduce interest rate and market risk. Maturities are managed so that sufficient liquidity exists to meet immediate and future benefit payment requirements.

ASC Topic 820, *Fair Value Measurements and Disclosures*, provides guidance for reporting and measuring the plan assets of our defined benefit pension plan at fair value as of March 30, 2013. Using the same three-level valuation hierarchy for disclosure of fair value measurements as described in Note 7, all of the assets of the Company's plan are classified within Level 2 of the fair value hierarchy because the plan assets are primarily insurance contracts.

Expected benefit payments for both plans are estimated using the same assumptions used in determining the company's benefit obligation at March 30, 2013. Benefit payments will depend on future employment and compensation levels, average years employed and average life spans, among other factors, and changes in any of these factors could significantly affect these estimated future benefit payments.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Estimated future benefit payments during the next five years and in the aggregate for the five fiscal years thereafter, are as follows (in thousands):

Expected Benefit Payments	
Fiscal Year 2014	\$ 1,200
Fiscal Year 2015	\$ 1,327
Fiscal Year 2016	\$ 1,308
Fiscal Year 2017	\$ 1,217
Fiscal Year 2018	\$ 844
Fiscal Year 2019-2023	\$ 4,714

The Company contributions for fiscal 2014 are expected to be consistent with current year.

15. 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.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Revenues from External Customers:

<i>(In thousands)</i>	March 30, 2013	March 31, 2012	April 2, 2011
Disposable revenues			
Plasma disposables	\$ 268,900	\$ 258,061	\$ 227,209
Blood center disposables			
Platelet	169,602	167,946	156,251
Red cell	49,733	48,034	46,828
Whole blood	138,436	—	—
	<u>357,771</u>	<u>215,980</u>	<u>203,079</u>
Hospital disposables			
Surgical	73,508	66,619	66,503
OrthoPAT	30,230	31,186	35,631
Diagnostics	27,356	23,087	19,414
	<u>131,094</u>	<u>120,892</u>	<u>121,548</u>
Disposables revenue	<u>757,765</u>	<u>594,933</u>	<u>551,836</u>
Software solutions	69,952	70,557	66,876
Equipment & other	64,273	62,354	57,982
Total revenues	<u>\$ 891,990</u>	<u>\$ 727,844</u>	<u>\$ 676,694</u>

Enterprise Wide Disclosures About Product and Services
Year Ended (in thousands)

	United States	Other North America	Total North America	Japan	Other Asia	Total Europe	Total Consolidated
March 30, 2013							
Sales	\$ 454,874	\$ 6,851	\$ 461,725	\$ 120,726	\$ 84,860	\$ 224,679	\$ 891,990
Total Assets	\$ 830,754	\$ 225,849	\$ 1,056,603	\$ 44,189	\$ 41,037	\$ 320,088	\$ 1,461,917
Long-Lived Assets	\$ 503,606	\$ 209,439	\$ 713,045	\$ 12,977	\$ 8,076	\$ 117,717	\$ 851,815
March 31, 2012							
Sales	\$ 352,160	\$ 512	\$ 352,672	\$ 124,381	\$ 67,223	\$ 183,568	\$ 727,844
Total Assets	\$ 634,171	\$ 15,365	\$ 649,536	\$ 50,509	\$ 27,353	\$ 183,737	\$ 911,135
Long-Lived Assets	\$ 305,370	\$ 12,796	\$ 318,166	\$ 13,128	\$ 3,961	\$ 38,009	\$ 373,264
April 2, 2011							
Sales	\$ 316,447	\$ 908	\$ 317,355	\$ 110,263	\$ 61,594	\$ 187,482	\$ 676,694
Total Assets	\$ 582,733	\$ 15,903	\$ 598,636	\$ 47,156	\$ 18,164	\$ 169,308	\$ 833,264
Long-Lived Assets	\$ 305,305	\$ 12,715	\$ 318,020	\$ 12,391	\$ 4,181	\$ 38,092	\$ 372,684

The Long-Lived Assets reported above include Goodwill, Intangibles and Net Property, Plant and Equipment.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

16. RESTRUCTURING

During fiscal 2012, our restructuring activities primarily consisted of reorganization within our research and development, manufacturing and software operations. Employee-related costs primarily consist of employee severance and benefits. Facility-related costs primarily consist of charges associated with closing facilities, related lease obligations, and other related costs.

For fiscal 2013, we incurred \$6.6 million of restructuring charges and a \$4.2 million asset write-down. The asset write-down is associated with exiting activities related to technologies originally acquired from Arryx, Inc. Restructuring expenses have been primarily included as a component of selling, general and administrative expense in the accompanying statements of income.

On April 1, 2010, our Board of Directors approved transformation and restructuring plans, which include the integration of Global Med Technologies, Inc. During fiscal 2011, in addition to the costs in the below table and as part of our approved transformation and restructuring plans, we incurred the following expenses:

- Stock compensation expense of \$1.7 million resulting from the acceleration of unvested stock options in accordance to terms of an employment contract for an employee. This expense is included as part of our restructuring charges and reflected in our consolidated statements of income as selling, general and administrative expense for the fiscal year ended April 2, 2011.
- \$2.1 million of integration costs related to the Global Med acquisition.

The following summarizes the restructuring activity for the fiscal year ended March 30, 2013, March 31, 2012, and April 2, 2011, respectively:

<i>(In thousands)</i>	Balance at March 31, 2012	Cost Incurred	Payments	Asset Write down	Restructuring Accrual Balance at March 30, 2013
Employee-related costs	\$ 1,461	\$ 6,214	\$ (4,586)	\$ —	\$ 3,089
Facility related costs	533	431	(791)	—	173
Asset write-down	—	4,247	—	(4,247)	—
	<u>\$ 1,994</u>	<u>\$ 10,892</u>	<u>\$ (5,377)</u>	<u>\$ (4,247)</u>	<u>\$ 3,262</u>

<i>(In thousands)</i>	Balance at April 2, 2011	Cost Incurred	Payments	Asset Write down	Restructuring Accrual Balance at March 31, 2012
Employee-related costs	\$ 2,782	\$ 4,112	\$ (5,433)	\$ —	\$ 1,461
Facility related costs	889	1,746	(2,102)	—	533
	<u>\$ 3,671</u>	<u>\$ 5,858</u>	<u>\$ (7,535)</u>	<u>\$ —</u>	<u>\$ 1,994</u>

<i>(In thousands)</i>	Balance at April 3, 2010	Cost Incurred	Payments	Asset Write down	Restructuring Accrual Balance at April 2, 2011
Employee-related costs	\$ 9,761	\$ 3,595	\$ (10,574)	\$ —	\$ 2,782
Facility related costs	—	889	—	—	889
	<u>\$ 9,761</u>	<u>\$ 4,484</u>	<u>\$ (10,574)</u>	<u>\$ —</u>	<u>\$ 3,671</u>

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

17. CAPITALIZATION OF SOFTWARE DEVELOPMENT COSTS

The cost of software that is developed or obtained for internal use is accounted for pursuant to ASC Topic 350, *Intangibles — Goodwill and Other*. Pursuant to ASC Topic 350, the Company capitalizes costs incurred during the application development stage of software developed for internal use, and expenses costs incurred during the preliminary project and the post-implementation operation stages of development. The Company capitalized \$7.5 million and \$3.6 million in costs incurred for acquisition of the software license and related software development costs for new internal software that was in the application development stage during the fiscal years ended March 30, 2013 and March 31, 2012, respectively. The capitalized costs are included as a component of property, plant and equipment in the consolidated financial statements.

For costs incurred related to the development of software to be sold, leased, or otherwise marketed, the Company applies the provisions of ASC Topic 985-20, *Software*, 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 \$6.2 million and \$6.1 million in software development costs for ongoing initiatives during the fiscal years ended March 30, 2013 and March 31, 2012, respectively. At March 30, 2013 and March 31, 2012, we have a total of \$25.7 million and \$19.5 million, respectively, of software costs capitalized, of which \$20.0 million and \$15.4 million, respectively, related to in process software development initiatives. In connection with these development activities, we capitalized interest of \$0.3 million and \$0.2 million in fiscal 2013 and 2012, respectively. We amortize capitalized costs when the products are released for sale. During the first quarter of fiscal 2013, \$1.7 million of capitalized costs related to one project were placed into service, compared to \$4.1 million of capitalized costs placed into service during fiscal 2012. Amortization of capitalized software development cost expense was \$0.9 million, \$0.7 million and \$0.2 million for fiscal 2013, 2012 and 2011 respectively. The costs capitalized for each project are included in intangible assets in the consolidated financial statements.

18. SUMMARY OF QUARTERLY DATA (UNAUDITED)

(In thousands)

2013	Three months ended			
	June 30,	September 29,	December 29,	March 30,
Net revenues	\$ 176,475	\$ 218,178	\$ 247,395	\$ 249,942
Gross profit	\$ 90,113	\$ 101,762	\$ 113,115	\$ 123,141
Operating income	\$ 13,079	\$ 9,901	\$ 15,747	\$ 17,710
Net income	\$ 9,787	\$ 6,547	\$ 9,904	\$ 12,562
Per share data:				
Net Income:				
Basic	\$ 0.19	\$ 0.13	\$ 0.19	\$ 0.24
Diluted	\$ 0.19	\$ 0.13	\$ 0.19	\$ 0.24

2012	Three months ended			
	July 2,	October 1,	December 31,	March 31,
Net revenues	\$ 170,569	\$ 179,445	\$ 191,160	\$ 186,670
Gross profit	\$ 88,748	\$ 89,949	\$ 95,931	\$ 94,612
Operating income	\$ 23,908	\$ 18,566	\$ 25,324	\$ 20,960
Net income	\$ 16,947	\$ 13,880	\$ 18,254	\$ 17,805
Per share data:				
Net Income:				
Basic	\$ 0.33	\$ 0.27	\$ 0.36	\$ 0.35
Diluted	\$ 0.32	\$ 0.27	\$ 0.36	\$ 0.35

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

19. SUBSEQUENT EVENTS

Value Creation and Capture

On April 29, 2013, we committed to a plan to pursue identified Value Creation and Capture ("VCC") opportunities. These opportunities include investment in product line extensions and next generation products, enhancement of commercial capabilities and a transformation of our manufacturing network. The transformation of our manufacturing network will take place over the next three fiscal years and includes changes to the current manufacturing footprint and supply chain structure (the "Network Plan").

To implement the Network Plan, we will (i) discontinue manufacturing activities at our Braintree, Massachusetts location, (ii) create a technology center of excellence for product development, (iii) expand our current facility in Tijuana, Mexico and (iv) build a new manufacturing facility in Asia closer to our customer base in that region.

We estimate we will incur approximately \$23.0 million of cash restructuring expenses during fiscal 2014 which will be recorded through cost of goods sold. To complete the Network Plan we estimate that we will spend an additional \$8.0 million for cash restructuring expenses in future years. These costs consist principally of 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 of this effort will require a dedicated team of program managers, engineers, regulatory and quality professionals, the cost of which is included in these estimates. We also expect to incur non-cash costs of approximately \$5.0 million consisting of accelerated depreciation and asset write-downs.

Activities under the Plan will be initiated in fiscal 2014 and are expected to be substantially completed in the next three years. Additionally, we expect to deploy approximately \$36.0 million of cash in fiscal 2014 for capital expenditures to expand our existing Tijuana, Mexico facility and construct a new facility in Asia.

We also expect to incur cash costs totaling \$29.0 million associated with our other VCC opportunities, completion of the integration of the whole blood business and the recent acquisition of Hemerus.

Acquisition of Hemerus

On April 30, 2013 we completed the acquisition of certain assets of Hemerus LLC, 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 \$23.0 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.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Haemonetics Corporation:

We have audited the accompanying consolidated balance sheets of Haemonetics Corporation and subsidiaries as of March 30, 2013 and March 31, 2012 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended March 30, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Haemonetics Corporation and subsidiaries at March 30, 2013 and March 31, 2012, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 30, 2013, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Haemonetics Corporation and subsidiaries' internal control over financial reporting as of March 30, 2013, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 20, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Boston, Massachusetts
May 20, 2013

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures are effective. There has been no change in our internal control over financial reporting during the fiscal year ended March 30, 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 in fiscal 2014. Management's assessment of and conclusion on the effectiveness of internal control over financial reporting for fiscal 2013 did not include the internal controls of the whole blood business.

Reports on Internal Control

Management's Annual Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-a5(f). The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of its internal control over financial reporting as of March 30, 2013. In making this assessment, the management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. The Company's assessment did not include an assessment of the internal controls over financial reporting of the whole blood business acquired in August 2013, which is included in our fiscal 2013 consolidated financial statements and which constituted \$138.0 million of revenues for this period. Based on our assessment we believe that, as of March 30, 2013, the Company's internal control over financial reporting is effective based on those criteria.

Ernst & Young, LLP, an independent registered public accounting firm, has issued an attestation report on the effectiveness of our internal control over financial reporting. This report, in which they expressed an unqualified opinion, is included below.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Haemonetics Corporation:

We have audited Haemonetics Corporation and subsidiaries' internal control over financial reporting as of March 30, 2013, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Annual Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of its internal control over financial reporting did not include an assessment of the internal controls of the whole blood business, which is included in the fiscal 2013 consolidated financial statements of Haemonetics Corporation and subsidiaries and constituted \$138 million of revenue for this period. Our audit of internal control over financial reporting of Haemonetics Corporation and subsidiaries also did not include an evaluation of the internal control over financial reporting of the whole blood business.

In our opinion, Haemonetics Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of March 30, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Haemonetics Corporation and subsidiaries as of March 30, 2013 and March 31, 2012, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended March 30, 2013 of Haemonetics Corporation and subsidiaries and our report dated May 20, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Boston, Massachusetts
May 20, 2013

Changes in Internal Controls

There were no changes in the Company's internal control over financial reporting that occurred during the fourth quarter of the Company's most recently completed fiscal year that materially affected, or are reasonably likely to materially affect, the Company's 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 in fiscal 2014.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT AND CORPORATE GOVERNANCE

1. The information called for by Item 401 of Regulations S-K concerning our directors and the information called for by Item 405 of Regulation S-K concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 required by this Item is incorporated by reference from our Proxy Statement for the Annual Meeting to be held July 24, 2013.

2. The information concerning our Executive Officers is set forth at the end of Part I hereof.

3. The balance of the information required by this item, including information concerning our Audit Committee and the Audit Committee Financial Expert and compliance with Item 407(c)(3) of S-K, is incorporated by reference from the Company's Proxy Statement for the Annual Meeting to be held July 24, 2013. We have adopted a Code of Ethics that applies to our chief executive officer, chief financial officer and senior financial officers. The Code of Ethics is incorporated into the Company's Code of Business Conduct located on the Company's internet web site at <http://phx.corporate-ir.net/phoenix.zhtml?c=72118&p=irol-IRHome> and it is available in print to any shareholder who requests it. Such requests should be directed to our Company's Secretary.

We intend to disclose any amendment to, or waiver from, a provision of the Code of Ethics that applies to our chief executive officer, chief financial officer or senior financial officers and that relates to any element of the Code of Ethics definition enumerated in Item 406 of Regulation S-K by posting such information on our website. Pursuant to NYSE Rule 303A.10, as amended, any waiver of the code of ethics for any executive officer or director must be disclosed within four business days by a press release, SEC Form 8-K, or internet posting.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from our Proxy Statement for the Annual Meeting to be held July 24, 2013. Notwithstanding the foregoing, the Compensation Committee Report included within the Proxy Statement is only being "furnished" hereunder and shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item concerning security ownership of certain beneficial owners and management is incorporated by reference from the Company's Proxy Statement for the Annual Meeting to be held July 24, 2013.

Stock Plans

The following table below sets forth information as of March 30, 2013 with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	(a) Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))*
Equity compensation plans approved by security holders	4,426,177	\$ 30.19	7,283,971
Equity compensation plans not approved by security holders	—	—	—
Total	4,426,177	\$ 30.19	7,283,971

* Includes 687,776 shares available for purchase under the Employee Stock Purchase Plan in future purchase periods.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from our Proxy Statement for the Annual Meeting to be held July 24, 2013.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated by reference from our Proxy Statement for the Annual Meeting to be held July 24, 2013.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this report:

A) Financial Statements are included in Part II of this report

Financial Statements required by Item 8 of this Form

Consolidated Statements of Income 40

Consolidated Statements of Comprehensive Income 40

Consolidated Balance Sheets 42

Consolidated Statements of Stockholders' Equity 43

Consolidated Statements of Cash Flows 44

Notes to Consolidated Financial Statements 45

Report of Independent Registered Public Accounting Firm 78

Schedules required by Article 12 of Regulation S-X

II Valuation and Qualifying Accounts 88

All other schedules have been omitted because they are not applicable or not required.

B) Exhibits required by Item 601 of Regulation S-K are listed in the Exhibit Index at page 86, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: /s/ Brian Concannon

Brian Concannon,
President and Chief Executive Officer

Date : May 20, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Brian Concannon</u> Brian Concannon	President, Chief Executive Officer and Director (Principal Executive Officer)	May 20, 2013
<u>/s/ Christopher Lindop</u> Christopher Lindop	Chief Financial Officer and Executive Vice President Business Development (Principal Financial Officer)	May 20, 2013
<u>/s/ Susan Hanlon</u> Susan Hanlon	Vice President Finance (Principal Accounting Officer)	May 20, 2013
<u>/s/ Lawrence Best</u> Lawrence Best	Director	May 20, 2013
<u>/s/ Paul Black</u> Paul Black	Director	May 20, 2013
<u>/s/ Susan Bartlett Foote</u> Susan Bartlett Foote	Director	May 20, 2013
<u>/s/ Ronald Gelbman</u> Ronald Gelbman	Director	May 20, 2013
<u>/s/ Pedro Granadillo</u> Pedro Granadillo	Director	May 20, 2013
<u>/s/ Mark Kroll, Ph.D.</u> Mark Kroll	Director	May 20, 2013
<u>/s/ Richard Meelia</u> Richard Meelia	Director	May 20, 2013
<u>/s/ Ronald Merriman</u> Ronald Merriman	Director	May 20, 2013

EXHIBITS FILED WITH SECURITIES AND EXCHANGE COMMISSION

Number and Description of Exhibit

1. Articles of Organization

- 3A* Pro forma Amended and Restated Articles of Organization of the Company reflecting Articles of Amendment dated August 23, 1993 and August 21, 2006 (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the Quarter ended December 29, 2012 and incorporated herein by reference).
- 3B* Articles of Amendment to the Articles of Organization of the Company filed August 21, 2006 with the Secretary of the Commonwealth of Massachusetts.
- 3C* By-Laws of the Company, as amended through July 27, 2012 (filed as Exhibit 5.03 to the Company's Form 8-K filed August 2, 2012 and incorporated herein by reference).

2. Instruments defining the rights of security holders

- 4A* Specimen certificate for shares of common stock (filed as Exhibit 4B to the Company's Amendment No. 1 to Form S-1 No. 33-39490 and incorporated herein by reference).

3. Material Contracts

- 10A* Lease dated July 17, 1990 between the Buncher Company and the Company of property in Pittsburgh, Pennsylvania (filed as Exhibit 10K to the Company's Form S-1 No. 33-39490 and incorporated herein by reference).
- 10B* First Amendment to lease dated July 17, 1990, made as of July 17, 1996 between Buncher Company and the Company of property in Pittsburgh, Pennsylvania (filed as Exhibit 10AI to the Company's Form 10-Q No. 1-10730 for the quarter ended December 28, 1996 and incorporated herein by reference).
- 10C* Second Amendment to lease dated July 17, 1990, made as of October 18, 2000 between Buncher Company and the Company for the property in Pittsburgh, Pennsylvania (filed as Exhibit 10AG to the Company's Form 10-K No. 1-10730 for the year ended March 29, 2003 and incorporated herein by reference).
- 10D Third Amendment to lease dated July 17, 1990, made as of March 23, 2004 between Buncher Company and the Company for the property in Pittsburgh, Pennsylvania (filed herewith as Exhibit 10D to the Company's Form 10-K No. 1-14041 for the year ended March 30, 2013).
- 10E Fourth Amendment to lease dated July 17, 1990, made as of March 12, 2008 between Buncher Company and the Company for the property in Pittsburgh, Pennsylvania (filed herewith as Exhibit 10E to the Company's Form 10-K No. 1-14041 for the year ended March 30, 2013).
- 10F Fifth Amendment to lease dated July 17, 1990, made as of October 1, 2008 between Buncher Company and the Company for the property in Pittsburgh, Pennsylvania (filed herewith as Exhibit 10F to the Company's Form 10-K No. 1-14041 for the year ended March 30, 2013).
- 10G Sixth Amendment to lease dated July 17, 1990 made as of January 8, 2010 between Buncher Company and the Company for the property in Pittsburgh, Pennsylvania (filed herewith as Exhibit 10G to the Company's Form 10-K No. 1-14041 for the year ended March 30, 2013).
- 10H Seventh Amendment to lease dated July 17, 1990, made as of March 31, 2011 between Buncher Company and the Company for the property in Pittsburgh, Pennsylvania (filed herewith as Exhibit 10H to the Company's Form 10-K No. 1-14041 for the year ended March 30, 2013).
- 10I Eighth Amendment to lease dated July 17, 1990, made as of February 26, 2013 between Buncher Company and the Company for the property in Pittsburgh, Pennsylvania (filed herewith as Exhibit 10I to the Company's Form 10-K No. 1-14041 for the year ended March 30, 2013).
- 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. with authorization of El Florido California, S.A. de C.V., for property located in Tijuana, Mexico (filed herewith as Exhibit 10J to the Company's Form 10-K No. 1-14041 for the year ended March 30, 2013).
- 10K Amendment to Lease dated February 21, 2000 made as of July 25, 2008 between BBVA Bancomer Servicios, S.A., as Trustee of the "Submetropoli de Tijuana" Trust Haemonetics 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 (filed herewith as Exhibit 10K to the Company's Form 10-K No 1-14041 for the year ended March 30, 2013).

- 10L Extension to Lease dated February 21, 2000, made as of August 14, 2011 between PROCADEF 1, S.A.P.I. de C.V. and Haemonetics 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 (Spanish to English translation filed herewith as Exhibit 10L to the Company's Form 10-K No 1-14041 for the year ended March 30, 2013).
- 10M Amendment Letter to Lease dated February 21, 2000, made as of August 14, 2011 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., for property located in Tijuana, Mexico (filed herewith as Exhibit 10M to the Company's Form 10-K No 1-14041 for the year ended March 30, 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 Haemonetics 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 (Spanish to English translation filed herewith as Exhibit 10N to the Company's Form 10-K No 1-14041 for the year ended March 30, 2013).
- 10Q* Note and Mortgage dated December 12, 2000 between the Company and General Electric Capital Business Asset Funding Corporation relating to the Braintree facility (filed as Exhibit 10B to the Company's Form 10-Q No. 1-10730 for the quarter ended December 30, 2000 and incorporated herein by reference).
- 10P Real Estate Lease Agreement dated November 2, 2002 between Haemonetics Produzione Italia S.r.l. as successor in interest to Pall Italia S.r.l and Tempera Infissi S.r.l for premises located in Ascoli, Italy (Italian to English translation filed herewith as Exhibit 10P to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10Q Lease effective July 15, 2004 between Howard Commons Associates, LLC and Haemoscope Corporation for the property located in Niles, Illinois (filed herewith as Exhibit 10Q to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10R First Amendment to Lease dated July 15, 2004, made as of June 10, 2004 between Howard Commons Associates, LLC and Haemoscope Corporation for the property located in Niles, Illinois (filed herewith as Exhibit 10R to the Company's 10-K No.1-14041 for the year ended March 30, 2013).
- 10S Second Amendment to Lease dated July 15, 2004, made as of June 5, 2007 between Cabot II - ILI W02-W03, LLC, predecessor-in interest to Howard Commons Associates, LLC and Haemoscope Corporation for the property located in Niles, Illinois (filed herewith as Exhibit 10S to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10T Third Amendment to Lease dated July 15, 2004, made as of November 19, 2007 between Cabot II - ILI W02-W03, LLC, Haemoscope Corporation and Huron Acquisition Corporation, a wholly-owned subsidiary of the Company, as successor in interest to Haemoscope Corporation for the property located in Niles, Illinois (filed herewith as Exhibit 10T to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10U Fourth Amendment to Lease dated July 15, 2004, made as of December 22, 2010 between Cabot II - ILI W02-W03, LLC, Haemoscope Corporation and the Company as assignee and New Tenant of the property located in Niles, Illinois (filed herewith as Exhibit 10U to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10V Fifth Amendment to Lease dated July 15, 2004, made as of July 24, 2012 between Cabot II - ILI W02-W03, LLC and the Company of the property located in Niles, Illinois (filed herewith as Exhibit 10V to the Company's 10-K No.1-14041 for the year ended March 30, 2013).
- 10W Lease Agreement effective December 3, 2007 between Mrs. Blanca Estela Colunga Santelices, by her own right, and Pall Life Sciences Mexico, S.de R.L. de C.V., for the property located in Tijuana, Mexico (Spanish to English translation filed herewith as Exhibit 10W to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10X Assignment to Lease Agreement effective December 3, 2007, made as of December 2, 2011 between Mrs. Blanca Estela Colunga Santelices, by her own right, Pall Life Sciences Mexico, S.de R.L. de C.V., ("Assignor") and Haemonetics Mexico Manufacturing, S. de R.L. de C.V.as successor in interest to Pall Mexico Manufacturing S. de R.L. de C.V., ("Assignee") assigned in favor of the property located in Tijuana, Mexico (filed herewith as Exhibit 10X to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10Y Sublease Contract to Lease Agreement effective December 3, 2007, made as of December 3, 2011 between Haemonetics Mexico Manufacturing, S. de R.L. de C.V. as successor in interest to Pall Mexico Manufacturing, S.de R.L. de C.V., and Pall Life Sciences Mexico, S. de R.L. de C.V., for the property located in Tijuana, Mexico (filed herewith as Exhibit 10Y to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10Z Sublease Contract to Lease Agreement effective December 3, 2007, made as of February 23, 2012 between Haemonetics Mexico Manufacturing, S. de R.L. de C.V. as successor in interest to Pall Mexico Manufacturing S. de R.L. de C.V. and Ensatec, S.A. de C.V., for the property located in Tijuana, Mexico (filed herewith as Exhibit 10Z to the Company's Form 10-K No.1-14041 for the year ended March 30, 2013).
- 10AA Lease dated August 20, 2009 between Price Logistics Center Draper One, LLC and the Company for property located in Draper, Utah. (filed herewith as Exhibit 10AA to the Company's Form 10-K No. 1-14041 for the year ended March 30, 2013).

- 10AB*† Haemonetics Corporation 2000 Long-term Incentive Plan (filed as Exhibit 10A to the Company's Form 10-Q No. 1-10730 for the quarter ended December 30, 2000 and incorporated herein by reference).
- 10AC*† Form of Option Agreement for Non-Qualified stock options for the 2000 Long Term-Incentive Plan for Employees (filed as Exhibit 10AJ to the Company's Form 10-K No. 1-10730 for the year ended March 29, 2003 and incorporated herein by reference).
- 10AD*† Form of Option Agreements for Non-Qualified stock options for the 2000 Long- Term Incentive Plan for Non-Employee Directors (filed as Exhibit 10AK to the Company's Form 10-K No. 1-10730 for the year ended March 29, 2003).
- 10AE† Pro Forma 2005 Long Term Incentive Compensation Plan, reflecting amendments dated July 31, 2008, July 29, 2009, July 21, 2011 and November 30, 2012 (filed herewith).
- 10AF*† Form of Option Agreement for Non-Qualified stock options for the 2005 Long Term-Incentive Compensation Plan for Non-employee Directors (filed as Exhibit 10.1 to the Company's Form 10-Q No. 1-10730 for the quarter ended October 1, 2005).
- 10AG* Form of Option Agreement for Non-Qualified stock options for the 2005 Long Term Incentive Compensation Plan for Employees.
- 10AH*† Form of Option Agreement for Non-Qualified stock options for the 2005 Long Term-Incentive Compensation Plan for the Chief Executive Officer (filed as Exhibit 10.3 to the Company's Form 10-Q No. 1-10730 for the quarter ended October 1, 2005).
- 10AI* Form of Restricted Stock Agreement with Employees under 2005 Long Term Incentive Compensation Plan.
- 10AJ*† Form of Amended and Restated Change in Control Agreement made effective on April 2, 2009 between the Company and Brian Concannon (filed as Exhibit 10Y to the Company's Form 10-Q No. 1-10730 for the quarter ended June 27, 2009).
- 10AK† Form of Amended and Restated Change in Control Agreement (filed herewith).
- 10AL*† 2007 Employee Stock Purchase Plan (filed as Exhibit 10AS to the Company's Form 10-K No. 1-14041 for the year ended March 29, 2008 and incorporated herein by reference).
- 10AM† Non-Qualified Deferred Compensation Plan made effective on July 27, 2012 (filed herewith).
- 10AN* Asset Purchase Agreement, dated as of April 28, 2012, by and between Haemonetics Corporation and Pall Corporation (filed as Exhibit 10Z to the Company's Form 10-K No. 1-14041 for the fiscal year ended March 31, 2012).
- 21.1 Subsidiaries of the Company.
- 23.1 Consent of the Independent Registered Public Accounting Firm.
- 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, Executive Vice President and Chief Financial Officer 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
- 101^ The following materials from Haemonetics Corporation on Form 10-K for the year ended March 30, 2013, formatted in Extensive Business Reporting Language (XBRL): (i) Consolidated Statements of Income, (ii) Consolidated Statements of Comprehensive Income (iii) Consolidated Balance Sheets, (iv) Consolidated Statement of Stockholders' Equity and Other Comprehensive Income, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text.

* Incorporated by reference

† Agreement, plan, or arrangement related to the compensation of officers or directors

^ In accordance with Rule 406T of Regulation S-T, the XBRL-related information in Exhibit 101 to this Form 10-K 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 purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

SCHEDULE II
HAEMONETICS CORPORATION
VALUATION AND QUALIFYING ACCOUNTS

<i>(In thousands)</i>	Balance at Beginning of Fiscal Year	Charged to Costs and Expenses	Write-Offs (Net of Recoveries)	Balance at End of Fiscal Year
For Year Ended March 30, 2013				
Allowance for Doubtful Accounts	\$ 1,480	\$ 446	\$ (199)	\$ 1,727
For Year Ended March 31, 2012				
Allowance for Doubtful Accounts	\$ 1,799	\$ (39)	\$ (280)	\$ 1,480
For Year Ended April 2, 2011				
Allowance for Doubtful Accounts	\$ 2,554	\$ 343	\$ (1,098)	\$ 1,799

HAEMONETICS' TRADEMARKS

The following are trademarks or registered trademarks of Haemonetics Corporation in the United States, other countries, or both: 5D, ACP, Acrodose, Acrodose Platelet, Analys, Arm to Arm, Arryx, Autocard, Autofile, AutoTrack, AutoPPI, Autostop, Better Blood, Better Care, Bioryx, Blood News Letter and Design, Bloodlink, BloodTrack, BloodTrack Courier, Blood Track on Demand, BloodTrack Manager, BloodTrack SafeTx, BloodTrack Tx, Bsys, BPF4, CaPS, cardioPAT, Cardioplegia, Cell Saver, Cell Saver CS Design, CLX, Compare, Completely Focused on Your World, Cryo-seal, Cymbal, DMS, DonorDoc, DonorPath Design, DrugTrack, Dynamic Disk, eBDS, Edgeblood, Edgecare, Edgecell, Edgelab, Edgetrack, eDonor, eDonor Stylized, ElDorado, ElDorado Donor,

ElDorado Design, ElDorado Donor Doc, Elite, eLynx, eLynx Design, eQue, eQue Design, Express, EZ Prime, Filtration. Separation. Solution., Global Med Technologies, Haemonet, Haemonetics, Haemonetics Cell Saver, Haemonetics PCS, Haemonetics The Blood Management Company, Haemonex, Hemalogic Design, Hemasphere, Hemasphere Design, Hemerus, Hemerus Design, Hemo-Net, Hotkit, Image Request, Impact, Infonale, Integra, Interlude, Interlog, Labryx, LacTrack, Latham Bowl Design, Leukosep, Leukotrap, Leukotrap Synergy Platform Design, Leukoweb, Leup, Life Uninterrupted, Lipiguard, Logic, Loop, Maestro, LRP, MCS, Medsep, Mini, Nutricel, Omni, OrthoPAT, OrthoPAT Advance,

PathCollect, PathRequest, Patient-At-A-Glance-Bar, PCS, PeopleMed, PeopleMed Design, Plasmapak, Poco, Poris, Prelude, RapidTEG, Redefining the Business of Blood, R.I.S., SafeTrace, SafeTrace Design, SafeTrace Tx, SafeTrace Tx Design, SapaNet, Sealite, Sebra, Sebra Design, Service 360, Service 360 Global Med Technologies Design, Service 360 Haemonetics Design, SmartSuction, SmartSuction Harmony, SOLX, Surround, Symphony, Style, Team 360, Thrombelastograph, Thrombelastograph, TissueMax, TEG, 1-800-Get a TEG, Transformetrics, Vein-to-Vein, Walkaway

Pall® is a trademark of Pall Corporation
Club25® is a trademark of SAFE BLOOD International

Corporate directory

Corporate Headquarters

400 Wood Road
Braintree, MA 02184
United States of America
Phone: 781-848-7100
Fax: 781-356-9935
Web: www.haemonetics.com

Asian Operations

Haemonetics Medical Devices
(Shanghai) International Trading
Company
Room 1103-06 Evergo Mansion
No. 1325 Middle Huaihai Road
200031 Shanghai, China
Phone: +86-21-53895200

European Operations

Haemonetics S.A.
Signy Centre
P.O. Box 262
CH-1274 Signy 2
Switzerland
Phone: +41-22-363-9011
Fax: +41-22-363-9059

Japanese Operations

Haemonetics Japan
Kyodo Building
16-banchi, Ichibancho
Chiyoda-ku, Tokyo 102-0082
Japan
Phone: +81-3-3237-7260
Fax: +81-3-3237-7330

Haemonetics also has operations
for sales, manufacturing, software
solutions, diagnostics, and services in:

Alberta, Canada
Vancouver, Canada
Hong Kong, China
Plaisir, France
Munich, Germany
Ascoli, Italy
Tijuana, Mexico
Scotland, UK
California, USA
Illinois, USA
Pennsylvania, USA
Puerto Rico, USA
South Carolina, USA
Utah, USA

For a complete list of Haemonetics' locations and addresses, please visit the Company's website.





The Honorable Town Council
Braintree Town Hall
Braintree, MA 02184

To the Members of the Council,

I write today in full support of the Haemonetics "Special Tax Assessment" (STA) proposal now before the Town Council.

Founded in 1971 and headquartered on Wood Road, Haemonetics is a recognized global leader in blood-related medical device manufacturing and blood management solutions.

As Haemonetics reconfigures its administration and manufacturing facility into a world class research and technology "center for excellence" they are seeking a reasonable STA to defray some the expenses related to this massive investment into our community. It is our understanding that the STA would sunset after year 5 at which time Haemonetics would pay 100% of the assessed value on their improved facility.

Many of our members are direct beneficiaries of Haemonetics and its employees. Whether it is supplying the company directly with material or services, or Haemonetics employees frequenting our shops and restaurants, Haemonetics has been a terrific neighbor, friend, and supporter of our community.

This is exactly the type of business that Braintree and most communities hope to attract; a clean, highly reputable business that offers highly skilled, well-paying jobs. And it is already located right here in Braintree!

On behalf of the members of the Braintree Chamber of Commerce, I urge the Town Council to support the Haemonetics proposal now before you.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Michael Wilcox', is written over a light blue horizontal line.

Michael Wilcox, Chairman
Braintree Chamber of Commerce



COMMERCIAL *and* RESIDENTIAL

944 Washington Street
Braintree, MA 02184
(781) 843-6096
Fax (781) 843-2771

December 27, 2013

Braintree Town Council
Braintree Town Hall
One JFK Memorial Drive
Braintree, MA 02184

Dear Council President Kokoros and Members of the Town Council:

Please accept this letter in support of Haemonetics Corporation's (Haemonetics) tax incentives proposal, which is due for consideration by the Braintree Town Council in mid-January.

It is my understanding that Haemonetics has a proposed renovation project to accommodate a technology center for research and development at its owned facility on Wood Road. The total project investment is estimated at \$10 million, and as part of the project, Haemonetics plans to retain and create full-time jobs.

Haemonetics has been an economic engine in the region for many years and has partnered with many area businesses. As a small business owner and vendor in Braintree, we have enjoyed a long standing relationship with Haemonetics and truly value its support for local businesses. We believe the proposed renovation project holds great promise for us, as well as Haemonetics, and will help our company and the local business community continue to prosper and grow.

We hope that the Braintree Town Council will look favorably upon supporting the Haemonetics incentives proposal.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Watts". The signature is fluid and cursive.

Robert Watts
Braintree Rug Company

cc: Joseph Sullivan, Mayor, Town of Braintree



January 14, 2014

The Honorable Town Council
Braintree Town Hall
Braintree, MA 02184

Members of the Town Council,

My name is Gary Hibyan and I am the General Manager of the Hampton Inn located on Wood Road in Braintree.

I am writing to you today in support of Haemonetics's application for a special tax assessment.

Haemonetics and the Hampton Inn have had a close working relationship during the past several years. Haemonetics associates and visitors stay at our Hotel, eat at local restaurants and shop at local merchants while staying with us. Haemonetics is one our largest and most valued corporate accounts making up a significant portion of our revenues.

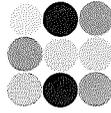
We believe the 10 million dollar investment to renovate their facility on Wood Road would generate additional revenues to our hotel and other businesses in the area; and increase both occupancy and sales taxes for the city of Braintree.

We fully support Haemonetics and their plans to renovate their facility and we encourage the Town Council to approve their proposal.

Respectfully submitted,

Gary Hibyan
General Manager
Hampton Inn Boston/Braintree.





HYATT PLACE®

Michael Sabina
Director of Sales
Hyatt Place Boston Braintree
50 Forbes Road
Braintree, MA 02184
781.848.0600
michael.sabina@hyatt.com
Wednesday, January 15, 2014

The Honorable Town Council
Braintree Town Hall
Braintree, MA 02184

To the Members of the Town Council,

As the Director of Sales at The Hyatt Place Boston/Braintree, I have the unique pleasure of working hand-in-hand with many of the local business professionals in the Braintree community. With this in mind, I am writing to you today in support of Haemonetics's application for a special tax assessment.

The Hyatt Place Boston/Braintree, as with many hotels in the Braintree community, has fostered a truly successful business relationship over the years. In 2013 alone, Haemonetics contributed nearly 1,000 room nights and roughly \$136,000 in room revenue just through their business travel account alone with the hotel. Although I do not have specific financial details regarding the ancillary revenue Haemonetics has contributed through other outlets in the hotel and other local businesses in the immediate vicinity, I'm sure you all agree with me in that the company's overall revenue contribution to Braintree is significant.

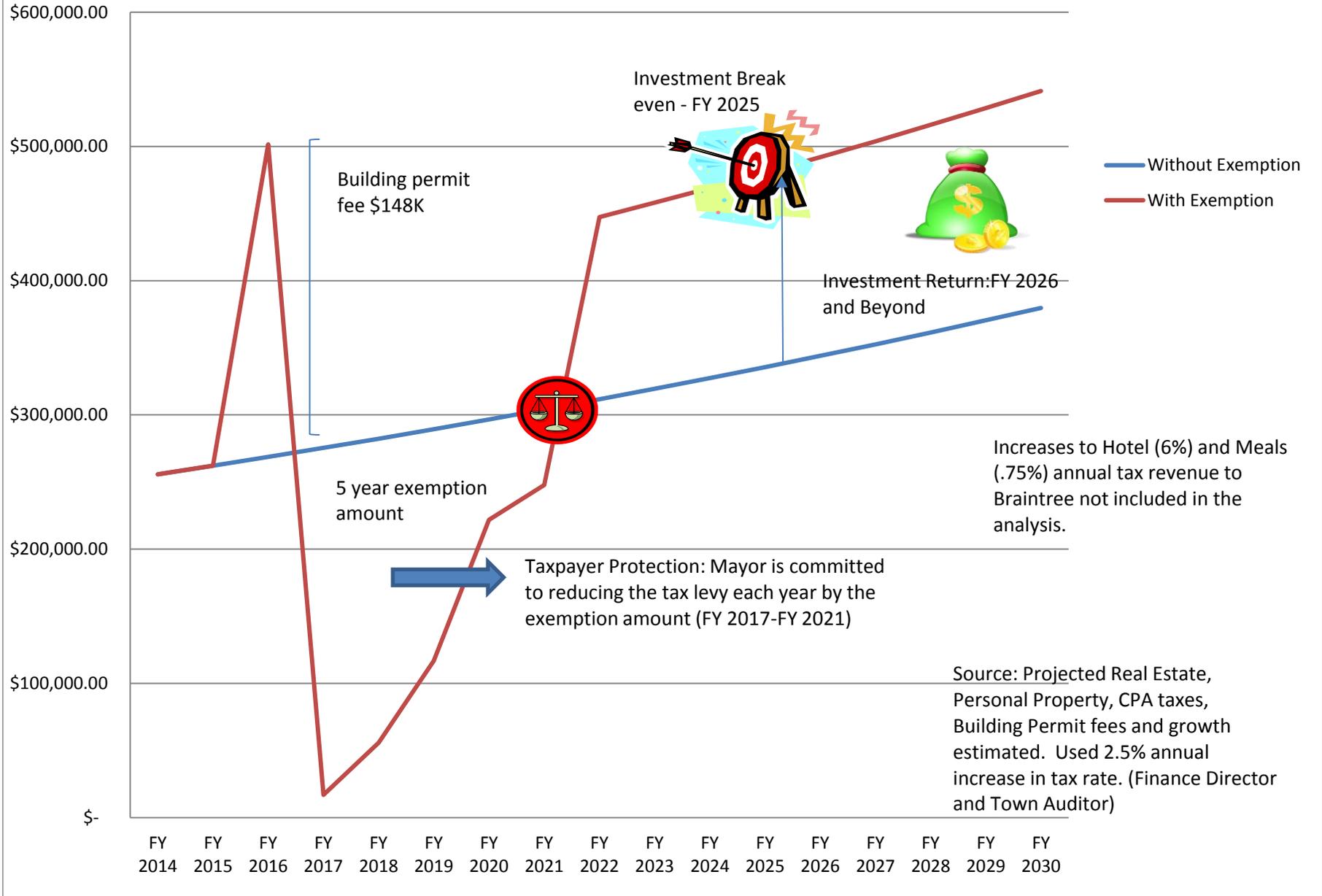
Haemonetics is currently considering a 10 million dollar investment to renovate their facility on Wood Road. This investment will allow the company to establish a research and development technology "center for excellence." By approving the temporary special tax assessment, the town will be making a short term investment that will have long term benefits. This is a partnership that makes sense.

On behalf of the hotel and its 60+ employees, we strongly urge the Town Council to approve the Haemonetics proposal now before you.

Respectfully Submitted,

Michael Sabina
Director of Sales
Hyatt Place Boston/Braintree

Haemonetics Exemption Analysis



MOTIONS

14 003

14 003 (1) That the Town Council approve the 400 Wood Road Economic Opportunity Area (“EOA”) pursuant to Massachusetts General Law 23A, Section 3E, as shown on Assessors’ Map 2053C, Lot 1F, and authorize the submission of same for approval to the Massachusetts Economic Assistance Coordinating Council (“EACC”).

14 003 (2) That the Town Council approve a Special Tax Assessment (“STA”) Plan and Agreement pursuant to Massachusetts General Law 23A, Section 3E, between Haemonetics Corporation (“Company”), and the Town of Braintree (“Town”) for property located at 400 Wood Road shown on Assessors’ Map 2053C, Lot 1F and within the proposed 400 Wood Road EOA, which STA Plan and Agreement provide for real estate tax exemptions over a five (5) year period and authorize the submission of same for approval to the EACC;

14 003 (3) That the Town Council approve the Haemonetics Corporation Local Tax Incentive Only Project application, and authorize the submission of same for approval to the EACC.



Office of the Mayor

One JFK Memorial Drive
Braintree, Massachusetts 02184

Joseph C. Sullivan
Mayor

781-794-8100

To: Thomas Bowes, Council President
Town Council
Town Clerk
Clerk of the Council

cc: Community Preservation Committee
Edward J. Spellman, Director of Municipal Finance
Christine Stickney, Director of Planning and Community Development

From: Joseph C. Sullivan, Mayor *JCS*

Date: January 8, 2014

Re: Community Preservation Fund – Appropriation for Pond Meadow Park

RECEIVED TOWN CLERK
BRAINTREE, MA
2014 JAN - 8 PM 1:57

On December 9, 2013, the Community Preservation Committee (“CPC”) met and unanimously voted to recommend funding a request of the Weymouth-Braintree Regional Recreational-Conservation District (a/k/a Pond Meadow Park) as a local match with the Town of Weymouth as part of a Massachusetts Division of Conservation Resources (“DCR”) Recreation Trail Grant Program for the rehabilitation of the bike trail as described in the application submitted to the CPC on December 4, 2013. The grant program is an 80/20 reimbursement program, with 20% being the required local match of the total project cost, which is to be divided between the Towns of Braintree and Weymouth. The total cost to rehabilitate the bike trail is \$250,000, so the 20% local match amount is \$50,000, with Braintree’s share at \$25,000. Weymouth’s Community Preservation Committee has recommended funding for this project, but the appropriation must be approved by Weymouth’s Town Council.

The CPC took two votes: one vote is based on the assumption that DCR will award the grant and Weymouth will appropriate its share; a second vote is premised on the assumption that the DCR grant is not awarded but the funds approved by both towns can be used to address the portion of the bike trail that is in need of immediate attention.

I concur with the CPC’s recommendations and their two-step strategy for addressing this much-needed rehabilitation of this bike trail, regardless of receiving the DCR grant. Therefore, I ask for the Council’s favorable action on the following motion:

MOTION: In accordance with the provisions of Chapter 44B of the General Laws and with the recommendation of the Community Preservation Committee, that the sum of \$50,000 be appropriated from the Community Preservation Fund Unreserved Fund for the purpose of rehabilitating the Pond Meadow Bike Trail as described in the Pond Meadow application filed with the Community Preservation Committee, subject to the following conditions:

1. the award of a grant from the Massachusetts Division of Conservation Resources for this project, with 80% of the project cost to be reimbursed by the Division of Conservation Resources;
2. once this project is complete, the Town of Braintree's reimbursement from the Division of Conservation Resources shall be returned to the Braintree Community Preservation Act Unreserved Fund account;
3. the Town of Weymouth Town Council appropriates the equivalent funding for this project, as required by the grant;
4. a Town of Braintree Community Preservation Act Agreement regarding this project must be entered into and executed by the duly authorized representative of the Weymouth-Braintree Regional Recreational Conservation District; and
5. the funds are to be expended under the direction of the Town of Braintree Community Preservation Committee and by the Town of Braintree Director of Planning and Community Development.

Alternatively, in the event that this project is not awarded the aforementioned grant by the Massachusetts Division of Conservation Resources, then, in accordance with the provisions of Chapter 44B of the General Laws and with the recommendation of the Community Preservation Committee, that the sum of \$25,000 be appropriated from the Community Preservation Fund Unreserved Fund for the purpose of rehabilitating a portion of the Pond Meadow Bike Trail, as described in the Pond Meadow application to the Community Preservation Committee, subject to the following conditions:

1. the Town of Weymouth Town Council appropriates the equivalent funding for this project;
2. a Town of Braintree Community Preservation Act Agreement regarding this project must be entered into and executed by the duly authorized representative of the Weymouth-Braintree Regional Recreational Conservation District; and
3. the funds are to be expended under the direction of the Town of Braintree Community Preservation Committee and by the Town of Braintree Director of Planning and Community Development.

Please note that Section 2-9(c) of the Town's Charter requires advertising of this measure.

**Braintree Community Preservation Committee
Minutes
December 9, 2013
Marinelli Reading Room – Thayer Public Library**

Present: Linda Raiss (Chair) Dick Fletcher Paul Machado
Anne Murphy (V-Chair) Darryl Mikami (one vacancy)

Absent: Pat Flynn

Also Present: Christine Stickney, Director Planning & Community Development

Meeting convened at 7:30PM

New Business:

Open Space Restriction on CPA parcels: Kelly Phelan, Conservation Administrator, attended the meeting for a discussion of the four parcels acquired with CPC funds which still do not have Conservation Restrictions as is required by the CPA Act – she provided a handout to the members and explained that a few years back the CPC discussed this issue, but with the governmental transition the discussion was not continued. Presently there is one CPC parcel that is monitored by the Wildlands Trust who was paid a one-time stipend of \$7,000 for perpetual monitoring. Linda Raiss asked Kelly to list the three parcels in question: 165 Pond Street, Franklin Street, Cedar Swamp. Kelly informed members that the CPC had asked her to approach Pond Meadow Park to ask that they consider becoming a monitoring agent. In response they proposed a one-time stipend of \$6,000 to monitor the three parcels in perpetuity. Dick Fletcher felt that the monitoring was a “nominal thing” that should be done pro bono given that Braintree contributes to the annual Pond Meadow District budget. Further discussion among members include: how the fee was derived, what the monitoring actually entails and where the one-time stipend would go (i.e. maintenance or separate account). Anne Murphy **MOTION** to table the discussion for later in the evening when Ranger Sean Cleaves would be present, seconded by Paul Machado – unanimously voted. (See additional discussion below.)

Community Preservation Coalition: Christine provided members with an email from Stuart Saginor and an article from the Department of Revenue regarding the recent additional funds provided to communities as a result of the legislative funding with surplus revenue. The CPA Coalition would like member communities to embark on a public outreach program with their local officials to support additional funding for the upcoming fiscal year. Members agreed to send a letter to our legislators and asked staff to draft a letter for the January meeting. Linda Raiss suggested that the Mayor’s office be asked as well to send a letter.

Discussion on Public Outreach: This matter will be continued to January

APPROVED
January 13, 2014
RaE

Application - Pond Meadow Park Bike Trail

Present for the discussion were Sean Cleaves (Ranger), Mike Richardi and James Lockhead (both Commissioners on the Weymouth-Braintree Regional Recreation- Conservation District a/k/a "Pond Meadow" Park)

Before discussion of the two applications before the Committee, members wished to discuss the *Conservation Restriction* issue with the Pond Meadow representatives. Linda Raiss summarized the prior discussion and asked if Pond Meadow would ever consider pro bono monitoring. Dick Fletcher provided his opinion that the land is owned by the Town for conservation purposes and to ensure it stays conservation land is not a big job. He feels that the monitoring should be a service that Pond Meadow provides to the Town. Sean Cleaves explained that they came up with the figure of \$6,000 [\$2,000 per parcel]s because Weymouth officials proposed that amount for Pond Meadow to perform the same services to their town.

Paul Machado asked about where the funds go and Sean replied they would establish a special account that could be used for equipment. Mike Richardi added the annual monitoring is mostly for encroachment on to the land from abutters. Christine commented that monitoring is for both encroachment by neighbors who expand yards or dump their landscaping clippings, etc. on the Town Land but also for ensuring a division of the Town doesn't misuse the land, such as a DPW dumping the sand from their street sweepers on the property. The monitoring agent would watch for these, document and report their findings. If there is a Town issue the agent would work with Town and possibly the Department of Conservation Restriction (DCR). Dick Fletcher pointed out that the CR has language that indemnifies the monitor for any legal expenses incurred. After additional discussion, members agreed to inquire with Weymouth relative to their need for monitoring of their properties and compensating Pond Meadow. The Pond Meadow Commissioners said they would bring it before their Commission at their next meeting for discussion. The matter was continued to January meeting pending receipt of information.

The Bike Trail Projects: The total cost of the Trail rehabilitation for the section of the Bike Trail depicted on the map in the application is estimated at \$150,000.

Rehabilitation of 900' of the existing Bike Trail: Sean Cleaves informed the members that Pond Meadow has submitted applications requesting funding from the CPCs of both Braintree and Weymouth to rehabilitate 900' of the existing bike trail constructed over thirty years ago and which is in immediate need of restoration. They are requesting \$25,000 from each community.

Dick Fletcher **MOTION** to recommend to the Town Council an appropriation of \$25,000.00 from the Unreserved Fund for the purpose of rehabilitation of the Pond Meadow Bike Trail as described in the Pond Meadow application conditional on a signed CPA agreement and the Town of Weymouth approving their equivalent funding, seconded by Anne Murphy – unanimously voted.

Mike Richardi explained how Pond Meadow is seeking further funding through a grant application to the MA Division of Conservation Resources (DCR). The maximum award of \$100,000 is an 80%/20% (local match). This is a reimbursement program and if Pond Meadow is successful in being awarded the grant each Town would be reimbursed the \$50,000 they would have committed to the project. He explained

that if Pond Meadow does not receive the grant only the 900' described above, the portion in the worst condition, would be restored.

Linda Raiss asked when the grants would be awarded [nine months from the February application]. Darryl Mikami asked why repairs have not been done on a regular basis over the 30 years since the trail was construction. He also asked if Pond Meadow has a capital improvement plan whereby they seek annual funding from each Town. James Lockhead responded that the Park is starting to look at these issues for future planning. Darryl added Pond Meadow is really popular with the Towns' residents and maybe this could be a kick start for a maintenance plan.

Dick Fletcher **MOTION** to recommend to the Town Council an appropriation of the \$50,000.00 from the Unreserved Fund for the purpose of rehabilitation of the Pond Meadow Bike Trail as described in the Pond Meadow application conditional on the following: the Town of Weymouth approving equivalent funding for the DCR grant application; once the project is complete the DCR reimbursement of \$50,000 be returned to the CPC Unreserved Fund account; a signed CPA Agreement, seconded by Anne Murphy – unanimously voted.

Representatives thanked the Committee and left the meeting. Christine will put together a Letter of Commitment for the funds that Pond Meadow can use in their grant application.

Gallivan House – Historic Preservation Linda Raiss reported she received a call from Blaine Banker, Treasurer of the Braintree Historical Society (BHS) informing her and the CPC that the BHS has entered into discussion with representatives of the Braintree Cooperative Bank regarding the possibility of taking out a mortgage on the French House in order to pay off the mortgage on the Gallivan House. This could allow for the BHS to repay funding appropriated for the roof restoration. Christine provided members with a copy of the email sent to the office on 12/8/13 providing more detail.

Administrative:

Linda Raiss informed members Mayor Sullivan has appointed Ron Frazier to the CPC as the Historic representative to replace John Dennehy. The Town Council needs to ratify and hopefully he will be at the next meeting in January.

Dick Fletcher **MOTION** to accept the fall meeting dates so that staff can make room reservations, seconded by Anne Murphy – unanimously voted.

Dick Fletcher **MOTION** to accept the minutes of 10/21/13, seconded by Anne Murphy – unanimously voted. The November minutes were held for the next meeting.

Anne Murphy **MOTION** to adjourn the meeting, seconded by Paul Machado – unanimously voted.
Meeting adjourned at 8:49PM

Respectfully submitted,

Christine Stickney, Director - Planning and Community Development

**Braintree Community Preservation Committee
Minutes
November 18, 2013
Johnson Chambers**

Present: Linda Raiss (Chair) Dick Fletcher (7:30 PM)
Anne Murphy (V-Chair) Darryl Mikami
Paul Machado

Absent: Patrick Flynn

Also Present: Lauren Murphy, Executive Director, Braintree Housing Authority

Meeting convened at 7:30 PM with the required quorum.

APPROVED
January 13, 2014
LR

CPA Application Roof Project – Braintree Housing Authority (Lauren Murphy)

Lauren Murphy discussed necessary roof repairs on low-income houses that were purchased by the Authority in the 1980s. She presented an assessment of cost for two 2-family and three single-family homes, adding the houses are in bad shape and the need is great. In addition, the Roosevelt Complex is in need of roof work. Lauren explained about the cost and about funding, the total funding she is looking for from the CPC is \$320,107. Lauren said further that if CPA funding is awarded, the roof project is assured of state funding. Mr. Mikami asked how the BHA pays for housing maintenance. Lauren explained that she prioritizes and tries to keep the low-income units up to sanitary code. When funding as available she does one large project, like a kitchen or bath. In response to Darryl's question about the purchase of low-income units in future, Lauren said that single family units are just too costly and she has no intention to purchase in future. The plan is to preserve what we have. Right now, Bellevue is most in need. Linda asked if the members are interested in taking a vote. Mr. Mikami said we have the money, the need is there and he is in favor of moving forward. Anne agreed it was good for the Town. Paul Machado asked about the bid process and mentioned that the photos in the application show many trees close to the homes which will receive new roofs and expressed his concerns about this. Lauren said she will visit the tree issue with the maintenance person. Linda felt that any recommendation for funding should include the use of some of the unreserved funds. Anne **MOTION** to recommend to the Town Council an appropriation of \$320,107 to be expended under the jurisdiction of the Housing Authority from the Unreserved Fund balance, seconded by Mr. Mikami, unanimously voted 5:0

CPA Application Kitchen & Bathroom Improvements – Braintree Housing Authority (Lauren Murphy)

Lauren explained that funds are needed to update bathrooms and kitchens in several homes [16 Bellevue Road, 40-42 Tremont Street and 285 Quincy Avenue]. Paul asked if the Housing Authority ever uses Blue Hills Tech. Lauren responded that this work must get done in a timeframe which is not suited to a Blue Hills project because the tenants, some disabled, cannot be without a kitchen or bathroom for any length of time. Anne **MOTION** to recommend to the Town Council an appropriation of \$78,445 to be expended from the Community Housing funds, seconded by Mr. Mikami, unanimously voted 5: 0

Return of Funds: Housing First Refusal (D. Fletcher):

Mr. Fletcher was asked to brief the members of the Committee on the account which is known by the name "Right-of-First Refusal." This account was established during the first Town Meeting after the acceptance by residents of the Community Preservation Act in 2003. The intent of the appropriation of funds was to have a pool of money available in the event an affordable housing unit became available for purchase. The account has now reached \$200,000. Because the Director of Planning and Community Development could not be present, the Chair put off further discussion until the December meeting.

Gallivan House Restriction (Matthew Mees/Attorney Carl Johnson):

Linda said that the Historical Society is working on documentation to address the current situation, including the parties, trusts and how to deal with the mortgage in the future. Matthew Mees indicated that they are in the process of rewriting the master plan and business plan. It has been settled that the Historical Society owns the majority of the Gallivan House. Carl Johnson informed Linda that he is working with Matt to settle legal issues. The mortgage is \$209,000. Mr. Johnson said he will meet with Christine and the Bank and discuss possibly reimbursing the funding appropriated under the CPA. He is doing more research and has also learned one of the trusts is not legal.

CPA Project Updates:

First Congregational Church (MOA):

Linda reported that the MOA has been recorded at the Registry and receipt provided to the Department.

Elm Street Cemetery:

Linda reported that funding has been appropriated by Town Council for additional work.

Civil War Soldier Memorial Statue (T. Council):

The Ways and Means Sub-Committee has recommended appropriation of full funding and the Council will consider the recommendation at their November 19th meeting.

Historic Records Preservation:

Linda reported that the Town Clerk indicated that the RFP is supposed to go out this week.

Administrative Matters

Draft schedule of 2014 meetings : Dick **MOTION** to adopt the January – June 2014 dates, seconded by Anne, unanimously voted 5:0

Minutes of 9/16/13 : Anne **MOTION** to approve the September minutes, seconded by Mr. Mikami unanimously voted 5:0

Anne Murphy **MOTION** to adjourn, seconded by Dick, unanimously voted (5:0)

Meeting adjourned at 8:27PM

Respectfully submitted,

E. Shaffer, Department of Planning and Community Development

Robert McConnell, Chairman
Richard McCulley, Treasurer
James Lockhead, Clerk
James Dawson
Barbara Hurley
John Keaveney
Michael Richardi

January 2, 2014

Ms. Linda Raiss and Members of the Braintree CPC
10 Waldron Road
Braintree, MA 02184

Dear Ms. Raiss and Committee Members,

Thank you for supporting our efforts to rebuild portions of the bike path at Pond Meadow Park.

The committee's commitment by the middle of January will allow us to apply for the RTP grant and rebuild a section of the trail connecting the Braintree and Weymouth entrances.

It was a pleasure meeting with you. We will keep you informed of our progress as we proceed through the application process.

Thanks again for your time.

Sincerely,

Robert McConnell
Chairman
The Board of Commissioners
Weymouth-Braintree Regional Recreation-Conservation District.
RMC/jf

To: Charles Kokoros, Council President
Town Council
Town Clerk
Clerk of the Council

cc: Community Preservation Committee
Edward J. Spellman, Director of Municipal Finance
Christine Stickney, Director of Planning and Community Development

From: Joseph C. Sullivan, Mayor

Date: December 23, 2013

Re: Community Preservation Fund – Appropriation for Pond Meadow Park

On December 9, 2013, the Community Preservation Committee (“CPC”) met and unanimously voted to recommend funding a request of the Weymouth-Braintree Regional Recreational-Conservation District (a/k/a Pond Meadow Park) as a local match with the Town of Weymouth as part of a Massachusetts Division of Conservation Resources (“DCR”) Recreation Trail Grant Program for the rehabilitation of the bike trail as described in the application submitted to the CPC on December 4, 2013. The grant program is an 80/20 reimbursement program, with 20% being the required local match of the total project cost, which is to be divided between the Towns of Braintree and Weymouth. The total cost to rehabilitate the bike trail is \$250,000, so the 20% local match amount is \$50,000, with Braintree’s share at \$25,000. Weymouth’s Community Preservation Committee has recommended funding for this project, but the appropriation must be approved by Weymouth’s Town Council.

The CPC took two votes: one vote is based on the assumption that DCR will award the grant and Weymouth will appropriate its share; a second vote is premised on the assumption that the DCR grant is not awarded but the funds approved by both towns can be used to address the portion of the bike trail that is in need of immediate attention.

I concur with the CPC’s recommendations and their two-step strategy for addressing this much-needed rehabilitation of this bike trail, regardless of receiving the DCR grant. Therefore, I ask for the Council’s favorable action on the following motion:

MOTION: In accordance with the provisions of Chapter 44B of the General Laws and with the recommendation of the Community Preservation Committee, that the sum of \$50,000 be appropriated from the Community Preservation Fund Unreserved Fund for the purpose of rehabilitating the Pond Meadow Bike Trail as described in the Pond Meadow application filed with the Community Preservation Committee, subject to the following conditions:

1. the award of a grant from the Massachusetts Division of Conservation Resources for this project, with 80% of the project cost to be reimbursed by the Division of Conservation Resources;

2. once this project is complete, the Town of Braintree's reimbursement from the Division of Conservation Resources shall be returned to the Braintree Community Preservation Act Unreserved Fund account;
3. the Town of Weymouth Town Council appropriates the equivalent funding for this project, as required by the grant;
4. a Town of Braintree Community Preservation Act Agreement regarding this project must be entered into and executed by the duly authorized representative of the Weymouth-Braintree Regional Recreational Conservation District; and
5. the funds are to be expended under the direction of the Town of Braintree Community Preservation Committee and by the Town of Braintree Director of Planning and Community Development.

Alternatively, in the event that this project is not awarded the aforementioned grant by the Massachusetts Division of Conservation Resources, then, in accordance with the provisions of Chapter 44B of the General Laws and with the recommendation of the Community Preservation Committee, that the sum of \$25,000 be appropriated from the Community Preservation Fund Unreserved Fund for the purpose of rehabilitating a portion of the Pond Meadow Bike Trail, as described in the Pond Meadow application to the Community Preservation Committee, subject to the following conditions:

1. the Town of Weymouth Town Council appropriates the equivalent funding for this project;
2. a Town of Braintree Community Preservation Act Agreement regarding this project must be entered into and executed by the duly authorized representative of the Weymouth-Braintree Regional Recreational Conservation District; and
3. the funds are to be expended under the direction of the Town of Braintree Community Preservation Committee and by the Town of Braintree Director of Planning and Community Development.

Please note that Section 2-9(c) of the Town's Charter requires advertising of this measure.



**Mayor
Joseph C. Sullivan**

TOWN OF BRAintree
**Community Preservation
Committee**

**1 JFK Memorial Drive
Braintree, MA 02184
781-794-8230**

To: Carolyn Murray, Town Solicitor

From: Christine Stickney, Director of Planning and Community Development

Date: December 10, 2013

Re: Recommendation from the CPA Committee

Please be advised that the Community Preservation Committee (CPC) met on December 9, 2013 and unanimously voted to recommend the Town Council appropriate the following CPA funding requests of the Weymouth-Braintree Regional Recreational-Conservation District (a/k/a Pond Meadow Park) as a local match with the Town of Weymouth as part of a Mass Division of Conservation Resources (DCR) Recreation Trail Grant Program for the rehabilitation of the bike trail as described in the application submitted to the CPC on December 4, 2013. The grant program is an 80/20 reimbursement program – 20% is the local match of the total project cost split between the Town of Braintree and Weymouth.

The CPC took two votes based on this premise that the local match needed is \$25,000 from each Town however if the grant was not awarded, each of the two Towns, will allow the local match to be used to address the most serious failing portion of the bike trail in need of rehabilitation at a total combined cost to both Towns of \$50,000; therefore the CPC voted the first recommendation as follows:

In accordance with the provisions of Chapter 44B of the General Laws and with the recommendation of the Community Preservation Committee, appropriate \$25,000.00 from the Community Preservation Act Unreserved Fund for the purpose of rehabilitation of the Pond Meadow Bike Trail as described in the Pond Meadow application conditional on a signed CPA agreement and the Town of Weymouth approving their equivalent funding for the project.

On the assumption the DCR Grant is awarded and the above local match is utilized, the DCR grant is a reimbursement grant program requiring the work to be performed and the DCR will then reimburse the Towns back upon completion of the project and submission of the necessary documentation. The CPC took a second vote;

Page 2 – C. Murray
CPC Recommendation

In accordance with the provisions of Chapter 44B of the General Laws and with the recommendation of the Community Preservation Committee, appropriate \$50,000.00 from the Community Preservation Act Unreserved Fund for the purpose of rehabilitation of the Pond Meadow Bike Trail as described in the Pond Meadow application conditional on the following; the award of the DCR grant and once the project is complete the DCR reimbursement is returned to the Community Preservation Act Unreserved Fund account, the Town of Weymouth approving their equivalent funding for the grant and a signed CPA Agreement

The Town of Weymouth Community Preservation Committee has also voted approval for this project and it has been sent to the Weymouth Town Council for action on the appropriation.

The Community Preservation Committee respectfully requests that your department prepare the necessary ordinance in proper form for review and approval by the Mayor for subsequent submission to the Town Council. Our department is available to assist you in this effort if needed. Please feel free to contact me directly.

CC: CPC
Pond Meadow Park

DEC 04 2013

**BRAINTREE COMMUNITY PRESERVATION COMMITTEE
2013-2014 APPLICATION FORM**

Project Name POND MEADOW PARK BIKE PATH RECONSTRUCTION

Project Location 470 LIBERTY ST.

Assessors' Plan and Plot 3033 / PLOT # 5

Recorded at NORFOLK COUNTY Book _____ Page _____

Category (check all that apply):

Open Space Number of acres in parcel _____

Recreation Number of acres in parcel _____

Historic Preservation

Affordable Housing Number of proposed housing units _____

CPA Funding requested: \$ \$ 75,000

Fiscal Year Request:
2014 \$ 25,000 2015 \$ \$ 50,000

2016 \$ _____

Expected annual operational/maintenance cost to the town after completion of project:
\$ 0 (Include narrative explaining)

Project Sponsor/Organization WEYMOUTH-BRAINTREE RRCD

Contact SEAN CLEAVES - FOREST + PARK SUPERVISOR

Address 470 LIBERTY ST. BRAINTREE, MA 02184

Day-time Phone # 781-843-7663 E-Mail PONDMEADOWPARK@BELD.NET

Applicant's Signature Sean F. Cleaves

Date Submitted 12/4/13

CPC PROPOSAL

Submitted by the Weymouth-Braintree Regional Recreation-Conservation District
December 4, 2013

Project Goals:

The Weymouth-Braintree Regional Recreation-Conservation District is looking reconstruct sections of the paved bike path that runs through Pond Meadow Park. The District has identified a 900 foot section that is in critical need of reconstruction due to safety and liability concerns. The paved bike path pavement is 30 years old and is heaved, cracked, and/or crumbling in many sections. Other sections of the bike have been identified as needing reconstruction will be done dependant on funding.

Community Need:

Pond Meadow Park is a popular passive recreation area funded by the towns of Weymouth and Braintree. The bike path in Pond Meadow Park is the major attraction that brings people to the Park. The bike path is used by walkers, joggers, dog walkers and bikers year round and by cross-country skiers and snow-shoers in winter. It is popular with all age groups including a large portion of senior citizens.

The bike path was originally funded as an alternative transportation link to areas of Braintree and Weymouth. It allows Braintree residents who commute on foot or by bike a safer and sometimes shorter access to the Weymouth and points further south.

The bike path has also been identified as a potential link to a regional trail system that could link areas such as Weymouth Landing to Holbrook and beyond.

Timeline and Permits:

Reconstruction of the 900 foot critical section of bike path would be done as soon as funding is received. Permitting may be required through the Braintree Conservation Commission as this area is near wetlands. This process would add 2-3 months to timeline.

The other sections of identified bike path needing reconstruction would be dependant on additional funding (see "Other Funding"). This application funding process would take approximately nine months to get approval and then you would have two years to complete the construction and reimbursement of the project.

Success Factors:

Success will be measured by the increases use of the Park and the reduction of potential liability to the towns of Weymouth and Braintree due to the unsafe conditions of the current state of the paved bike path.

Budget:

The overall budget of this project would be **\$150,000**. The District would seek \$75,000 from both towns.

\$50,000 would be used to reconstruct the most critical portion of the bike path. The Braintree Engineering Department has provided an estimate of \$47,000 for reconstruction and paving of this section. An additional \$3,000 had been included to fund any “wetland” issues or costs.

The remaining \$100,000 would be used to secure a matching grant from the Massachusetts Division of Conservation Resources (DCR) “Recreation Trail Program”. If successful with the grant, the remaining planned work would be funded by the two Community Preservation Commissions who would then be reimbursed by the “DCR”.

If the “District” is unsuccessful in receiving the “DCR” grant, the two Community Preservation Commissions would not have to provide the remaining \$100,000 (\$50,000 each town) requested.

Other Funding:

The “District” is seeking a matching grant of \$100,000 from the Division of Conservation Resources (DCR) “Recreation Trail Program (RTP)” program. It is a competitive grant application funded by the federal and state government. They prefer to fund projects on a regional basis which we feel would help us as the bike path is located in two towns and has been identified as a potential link in regional trails.

The grant is a “reimbursements grant” meaning funds would have to be provided up front to complete the work and then would be reimbursed by the “DCR”. The application for “RTP” grant is due by February of 2014. The application takes nine months to process. “DCR” will accept a “**letter of commitment**” from town community preservation committees during the application process so as not to tie up existing funds for extended periods.

Ongoing Maintenance:

Maintenance of the reconstructed bike path would be done by in-house personnel and/or the two towns as has been done in the past.

Documentation:

A map of the Park showing the location of the proposed reconstruction has been attached.

Implementation:

The Braintree Engineering Department has agreed to help oversee the reconstruction. Sean Cleaves, the Park Supervisor, oversaw the original bike bath construction and numerous other construction projects over the years.

Contacts:

Sean Cleaves, Forest and Park Supervisor
Pond Meadow Park
470 Liberty Street, Braintree, MA 02184

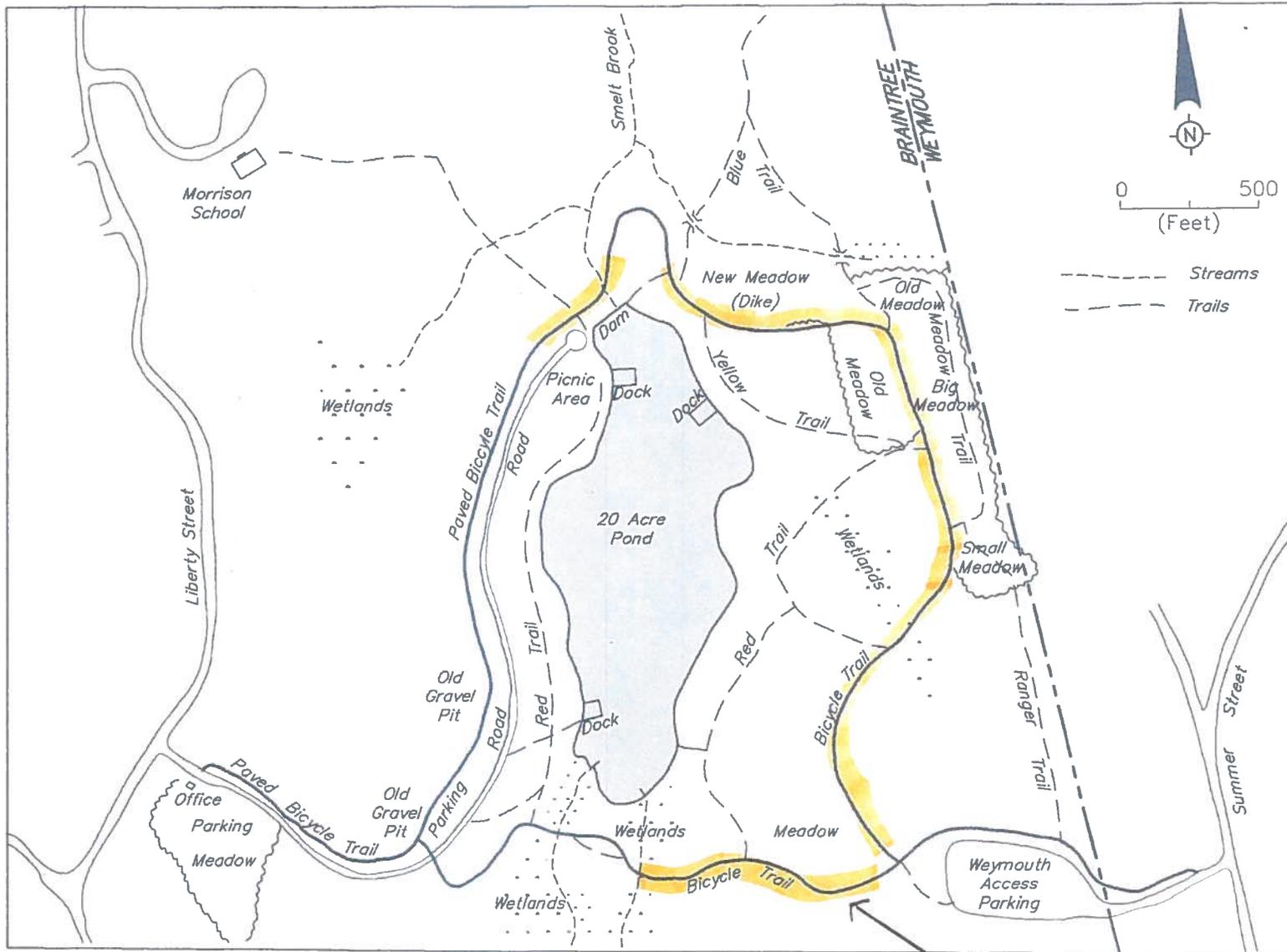
(781) 843-7663

Robert McConnell, Chairman
Weymouth-Braintree Regional Recreation-Conservation District Commission
C/o Pond Meadow Park
470 Liberty Street, Braintree, MA 02184
(781) 335-0752

Mike Richardi, Commissioner
Weymouth-Braintree Regional Recreation-Conservation District Commission
C/o Pond Meadow Park
470 Liberty Street, Braintree, MA 02184
(781) 331-7113

BIKE PATH NEEDING RECONSTRUCTION

Pond Meadow Park (Telephone 781 843-7663)



ROUTE 3 EXPRESSWAY

900 FOOT "CRITICAL SECTION"



Office of the Mayor

One JFK Memorial Drive
Braintree, Massachusetts 02184

Joseph C. Sullivan
Mayor

781-794-8100

To: Thomas Bowes, Council President
Town Council
Town Clerk
Clerk of the Council

cc: Community Preservation Committee
Edward J. Spellman, Director of Municipal Finance
Christine Stickney, Director of Planning and Community Development

From: Joseph C. Sullivan, Mayor

JCS

Date: January 8, 2014

Re: Community Preservation Fund – Appropriation for Braintree Housing Authority

RECEIVED TOWN CLERK
BRAINTREE, MA
2014 JAN - 8 PM 1:57

On November 18, 2013, the Community Preservation Committee (the “CPC”) met and unanimously voted to recommend appropriating CPA funds to be used as matching funds pursuant to grants for two projects requested by the Braintree Housing Authority (BHA) – one involving kitchen and bathroom replacements at various BHA sites and the other for roof replacements at various BHA locations. The BHA has applied for grants to offset funding for these projects and had to demonstrate a commitment of funds on the local level as a condition of applying.

The first request was presented pursuant to the 705 Family Housing Program, where funds are available for kitchen and bathroom replacements, subject to local matching funds. The total cost to replace kitchens and bathrooms at 40-42 Tremont Street, 285 Quincy Avenue, and 16 Bellevue Road is \$235,336.38, but the BHA sought \$78,445 from the CPC. The second request involves local matching funds for roof replacements pursuant to the 705 Family Housing Program and the 667 Elderly/Disabled Housing Program. The six roofs to be replaced are the BHA Roosevelt Street Complex, 43 Hill View Road, 40-42 Tremont Street, 166 Cleveland Avenue, 285 Quincy Avenue, and 16 Bellevue Road. The BHA hopes to receive \$166,871 in grants for these projects and requested the balance of \$320,107 from the CPC.

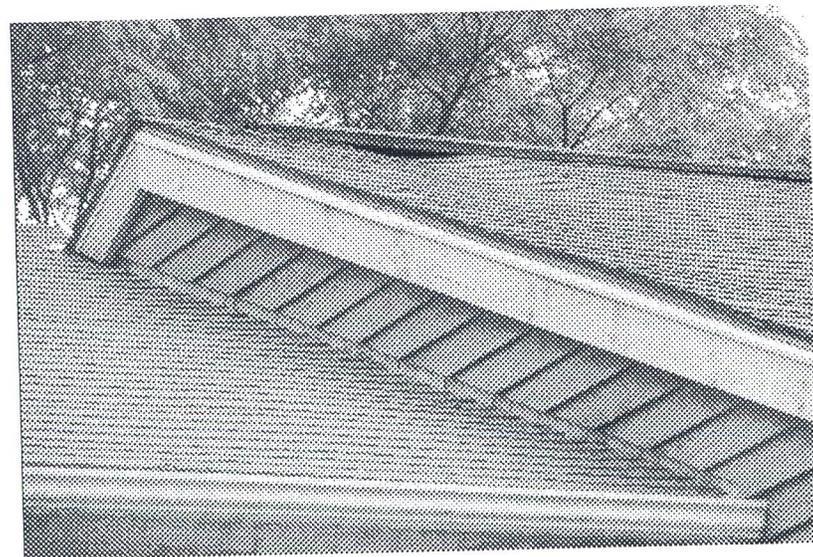
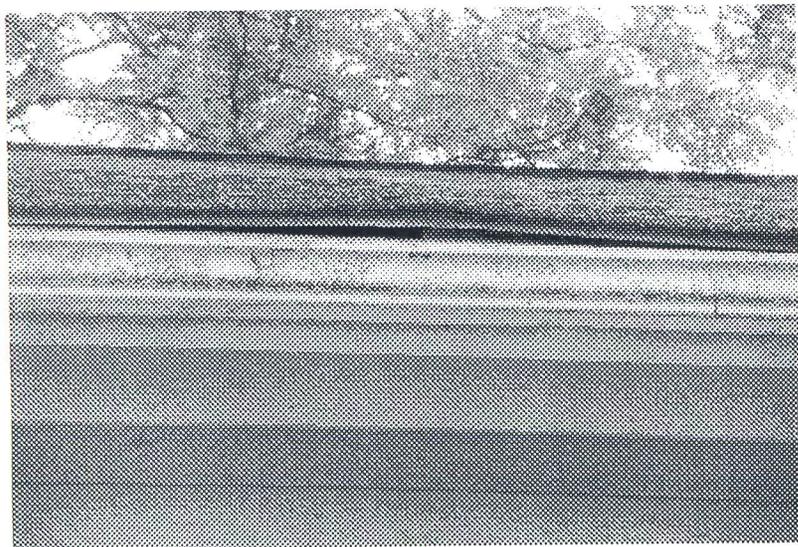
The CPC supported both of these projects, and I concur with their recommendations. Therefore, I request favorable action on the following motions:

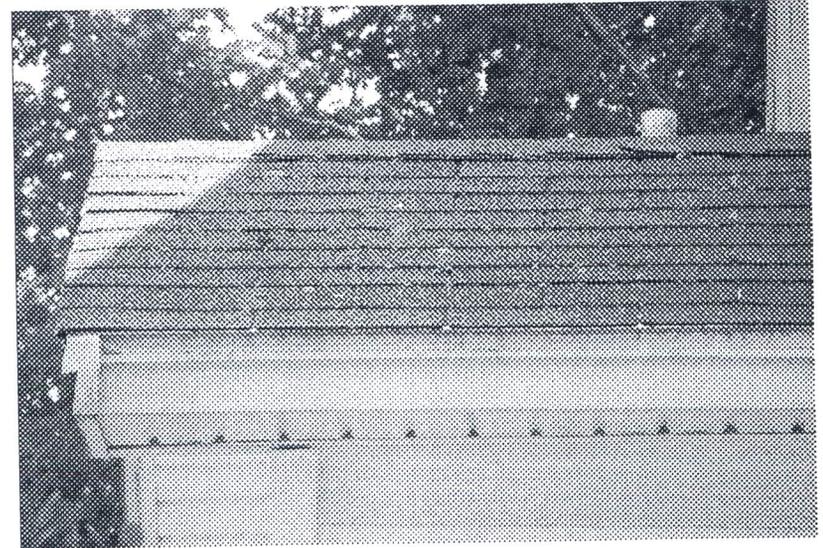
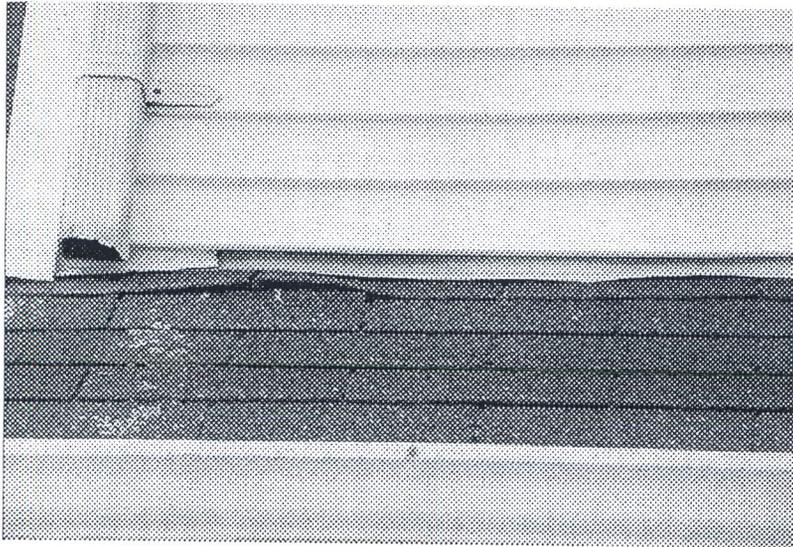
MOTION No. 1: In accordance with the provisions of Chapter 44B of the General Laws and with the recommendation of the Community Preservation Committee, that the sum of \$78,445 be appropriated from the Community Preservation Act Community Housing Fund for the purpose of funding kitchen and bathroom renovations at three Braintree Housing Authority residences: 40-42 Tremont Street, 285 Quincy Avenue, and 16 Bellevue Road. Said appropriation is subject to execution of a Community Preservation Act Agreement by a duly authorized representative of the Braintree Housing Authority, and the funds are to be expended under the direction of the Town of Braintree Community Preservation Committee with oversight by the Town of Braintree Director of Planning and Community Development.

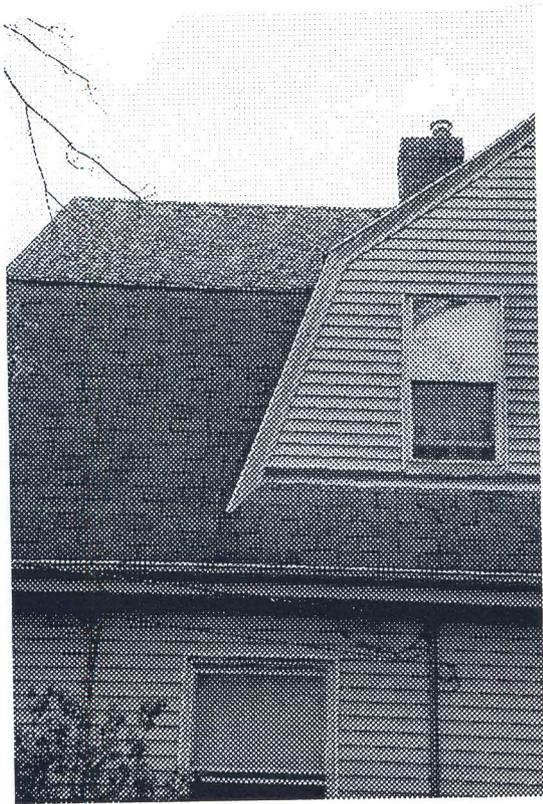
MOTION No. 2: In accordance with the provisions of Chapter 44B of the General Laws and with the recommendation of the Community Preservation Committee, that the sum of \$320,107 be appropriated from the Community Preservation Act Unreserved Fund for the purpose of funding roof replacements at six Braintree Housing Authority residences: the Roosevelt Street Complex, 43 Hill View Road, 40-42 Tremont Street, 166 Cleveland Avenue, 285 Quincy Avenue, and 16 Bellevue Road. Said appropriation is subject to execution of a Community Preservation Act Agreement by a duly authorized representative of the Braintree Housing Authority, and the funds are to be expended under the direction of the Town of Braintree Community Preservation Committee with oversight by the Town of Braintree Director of Planning and Community Development.

Please note that Section 2-9(c) of the Town's Charter requires advertising of this measure.

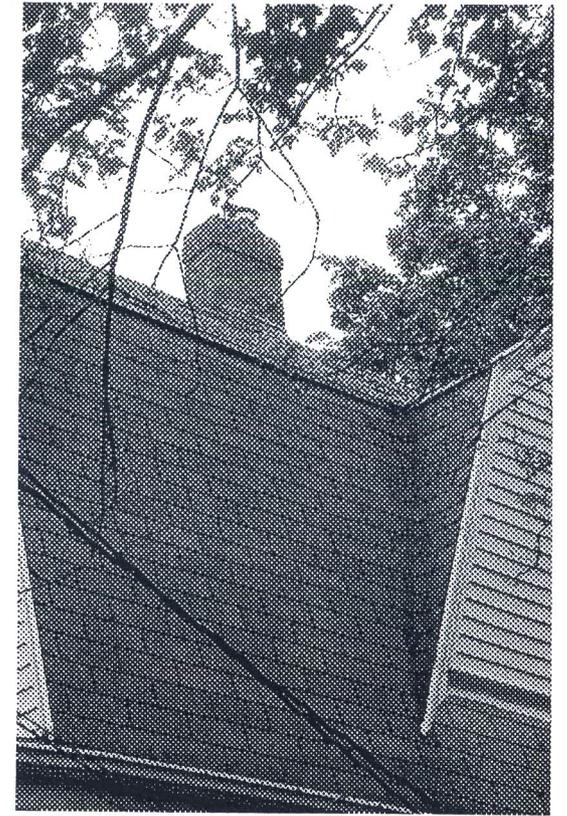
Marjorie L. Crispin Elderly Housing
Roosevelt St



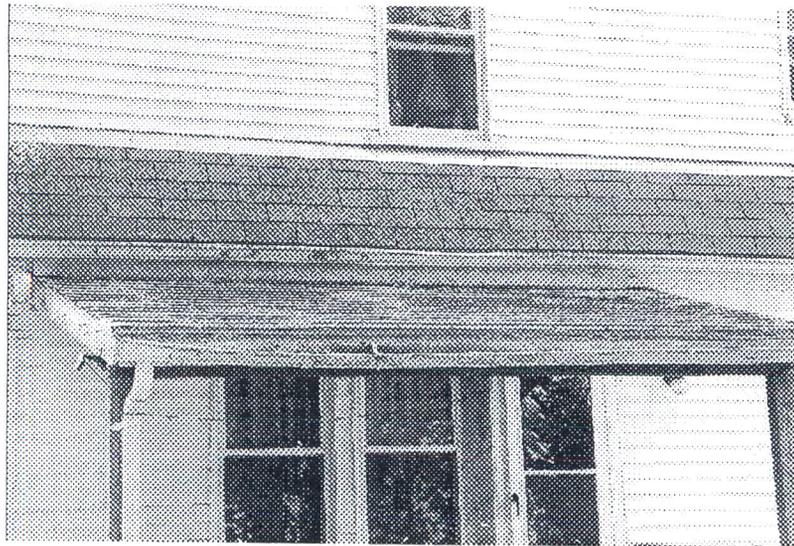




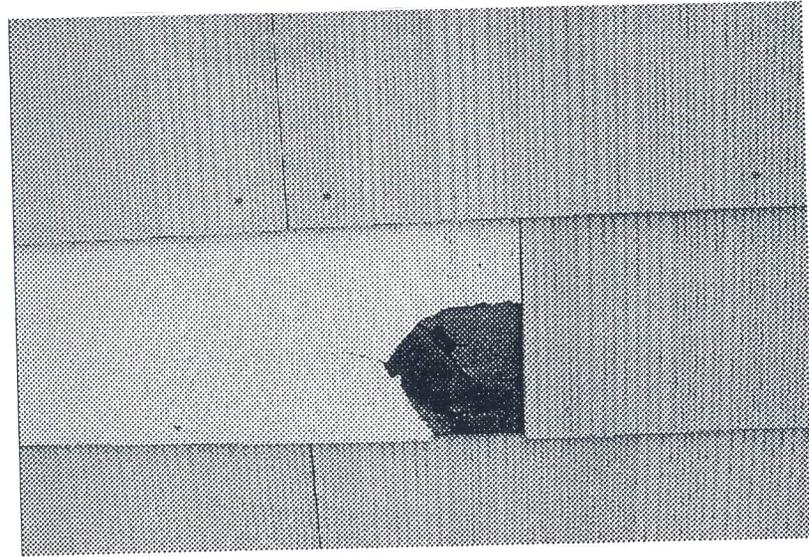
16 Bellevue Road



166 Cleveland Avenue

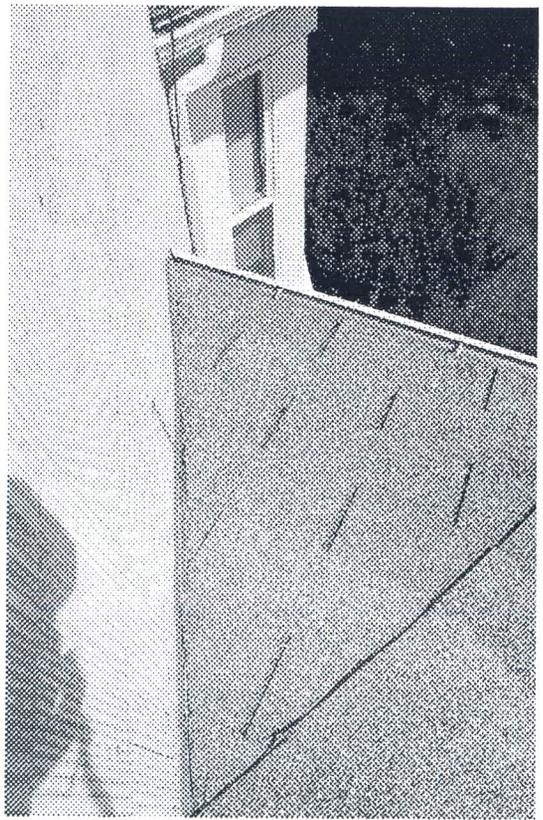
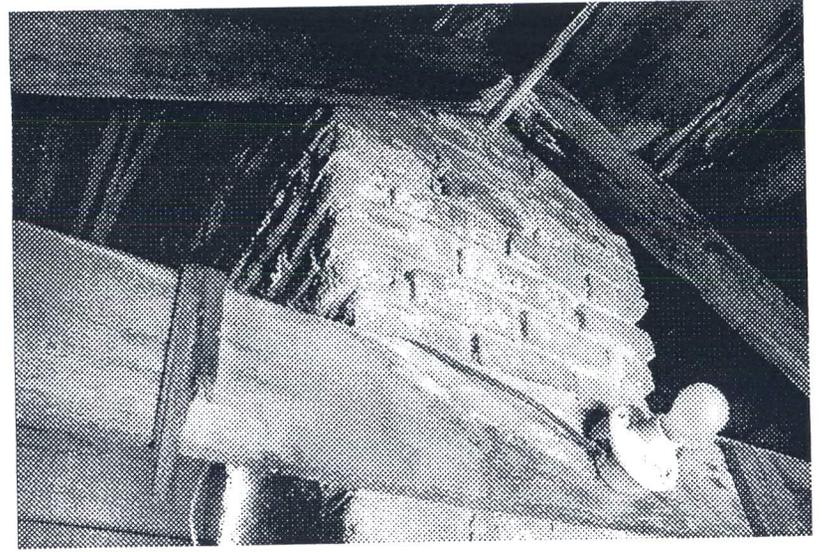


40-42 Tremont

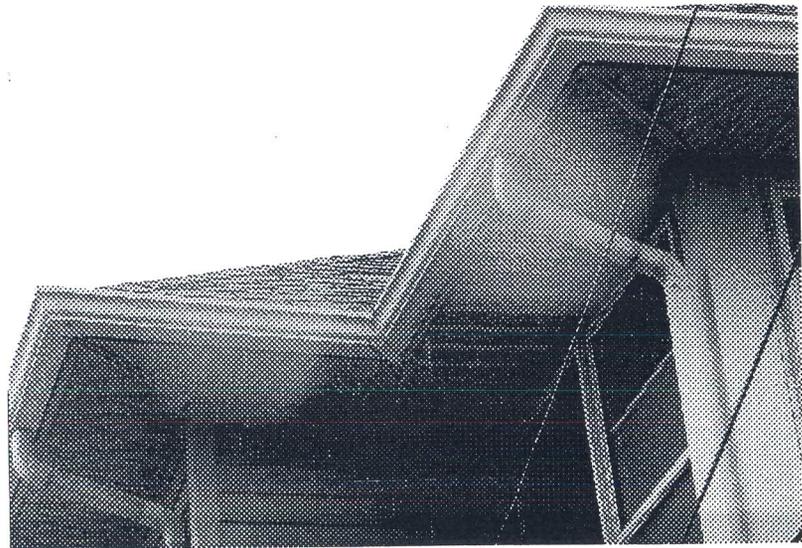


40-42 Tremont
40-42 Tremont

285
Quincy
Ave →



285 Quincy Avenue



BRAINTREE HOUSING AUTHORITY
25 ROOSEVELT STREET
BRAINTREE, MA 02184
TEL. (781) 848-1484 FAX (781) 380-4333

Lauren P. Murphy
Executive Director

Roof Project

CPA Application

Cover Sheet

1. Braintree Community Preservation Committee 2013-2014 Application Form
2. Executive Summary
3. Report of Project Condition and Photos
4. Estimated Cost
5. Funding Sources
6. Letter of confirmation that the state-aided public housing portfolio of the Braintree Housing Authority is perpetually affordable for qualified low income residents. (PENDING)
7. Department of Housing and Community Development PHN 2013-12 High Leverage Asset Preservation Program-(Included with the Kitchen and Bathroom funding request application)

**BRAINTREE COMMUNITY PRESERVATION COMMITTEE
2013-2014 APPLICATION FORM**

Project Name Marjorie L. Crispin Elderly Housing

Project Location – 705 Family Housing Program: 166 Cleveland Avenue, 16 Bellevue Road, 40-42 Tremont Street, 285 Quincy Avenue, 43 Hillview Rd. and Roosevelt St.

Assessors' Plan and Plot **See Attached**

Recorded at **See Attached** Book _____ Page _____

Category (check all that apply):

____ Open Space Number of acres in parcel _____

____ Recreation Number of acres in parcel _____

____ Historic Preservation

X Affordable Housing Number of proposed housing units 0

CPA Funding requested: \$320,107.00

Fiscal Year Request:

2014 \$320,107 2015 \$ _____

2016 \$ _____

Expected annual operational/maintenance cost to the town after completion of project:
\$0.00 (Include narrative explaining)

Project Sponsor/Organization Braintree Housing Authority

Contact Lauren Murphy

Address 25 Roosevelt Street

Phone # 781-848-1484 X9 Email lmurphy@braintreehousingauthority.org

Applicants Signature _____

Date Submitted: September 3, 2013

Executive Summary

The Braintree Housing Authority (BHA) respectfully submits an application request to the Community Preservation Committee for consideration. The Board of Commissioners unanimously voted, in support of the submission of this application, at the Housing Authority's regular meeting held August 13, 2013.

This project will benefit the Town of Braintree by preserving existing low income housing that is designated for families, elderly and disabled. There is not an adequate supply of low income housing. For family housing, the Authority owns 7 scattered site units and manages 60 units at Skyline Drive Apartments. We have 205 units for elderly/disabled. The wait for each housing program is very long, with many Braintree applicants in need. For this reason, it is extremely important that these units be maintained, so that we can continue offering families a place to live that is decent, safe and affordable.

This application request is for funding to be used towards a significant roof replacement project for our 705 family scattered site housing and 667 elderly/disabled housing.

This project promotes the following Community Housing Goals:

- Maintain or enlarge the Town's percentage of affordable housing units
- Ensure affordability in perpetuity
- Preserve or enhance existing affordable housing

Similar CPA Funded Roof Replacement Projects

- Sharon Housing Authority –2006 - \$136,000
- Fairhaven Housing Authority – 2012 - \$40,000
- Easton Housing Authority – 2013 - \$100,000
- Braintree Housing Authority 2009 - \$170,000 – CPA approved, but BHA received capital funding.

The roofs were inspected by an architect, from Next Phase Studios, and Simone Early, Architect for Department of Housing and Community Development (DHCD). An assessment of the roofs is provided with this application, as are pictures.

Funding Information

The estimated cost is \$622,024.00. The CPA application request is for \$320,107.00. To achieve the full funding needed, the BHA has also applied for funds through a program called High Leverage Asset Preservation Program (HILAPP). This funding is made possible by The Department of Housing and Community Development (DHCD) and Massachusetts Housing Partnership (MHP). To be considered for funding, applicants must have a leverage commitment from another source. Without approved funding from the CPA, the BHA will not qualify for HILAPP funding. The BHA has received notification that it is a semi-finalist for HILAPP funding. I have enclosed DHCD PHN 2013-12, which describes the HILAPP program.

The Authority will receive \$166,871 for FY15 CIP funding. Of this amount, \$150,000 will be applied to this project.

The estimated number of weeks to complete this project is 35 weeks. It is the goal of the BHA and DHCD to complete the project by June 20, 2013.

Roosevelt St. Complex

This property is at high priority due to the observed wear on several building roofs. NPS reported that the scope of work at the Roosevelt complex is one of the most straightforward. There are few identified existing issues and the roofs have clearly past their useful life.

It is recommended that BHA priorities re-roofing the complex as it is likely that the complex will begin experiencing roof issues within the next 3 years and the cost to re-roof the complex a few years out will be exponentially higher over a short period of time. The buildings are to be re-roofed with new ice and water shield at eaves and valleys and new ridge vents. The rake trim requires repainting per visual inspection. The eave trim is obscured by the gutters but it is assumed, and priced, to be in the base scope of work with the roof. The roof guards are to be reinstalled along with new gutters.

There is not currently ice & water shield under the existing roof. The new roof will be detailed as required per the DHCD standards. The addition of ice and water shield will protect the roof from the lift seen on site in future instances when water backs up from clogged gutters.

There is an odd, existing drip edge detail at the roof rakes. NPS recommends that the old drip edge is removed and replaced with a new aluminum edge with the installation of a small painted trim board to receive it. BHA believes the existing step flashing is aluminum and is not to be carried in the base scope. It is the preference of the BHA to re-roof the complex all at one time for simplicity of record keeping & in maintaining the roofs moving forward. It is understood that given the project budget this may not be possible and the number of roofs completed will be based on final funding, final cost estimate, and funding requirements, if any.

43 Hillview Road

This property is the lowest priority as the roof is in the best conditions relative to other roofs. Some shingles are broken but the only identified location is beneath the window where the roof layers are still protected by the window flashing. This property, as with most of the 705's, has a complicated roof form. This mildly increases the cost per sqft for new roof due to the added labor and that the small roof pieces should be fully protected with ice & water shield beneath the asphalt shingles. The counter flashing should be able to be reused and a unit cost will be included in the bid for any length needing to be replaced. The roof form does make the issues with various reflashing-step, drip and cap, more complicated if that work is required. It is recommended that the Gutters and Downspouts are replaced as part of the base contract, if able, but at the lowest priority.

40-42 Tremont Street

This property is of highest priority due to the active leak. The base scope to refinish the asphalt roof is considered to be the standard scope as the main roof is not very visible from the ground and nothing atypical was noted. The Chimney step flashing is to be included to address the active leak. Gutters and downspouts are to be replaced in addition to the roof. It is assumed that some roof boards will need to be replaced. The rubber membranes are worn past its useful life. It is not currently failing but could not approximate the timeframe before there are issues. The rubber roof will be replaced in association with this project. NPS is to generate a waterproof raglit detail and quantify the amount of siding to be abated/ replaced. It is assumed that the step flashing will need to be replaced (possibly installed new) behind the siding at the two bay windows, and may also have tie in issues associated with the siding.

Additional Scope:

NPS recommends that BHA not ventilate the roof at any cost. The building is performing different than a ventilated attic currently. The existing flues are for exhausting the attic air and not ventilating the roof. Convection displacement allows that vent to work in the current configuration. The attic does not need to be ventilated (no current ventilation and minimal insulation in between rafters at 2nd floor sealing. Revising the way the roof vents is part of a larger insulation/envelope performance conversation and scope. It was identified onsite that the siding at this property is asbestos tile and actively containing lead painted wood siding. Hazardous material was not included in the project work order and additional services will be requested for a hazardous materials consultant and NPS's time for management. It was discussed whether or not the building should be sided along with the roof. It is likely that the fascia is wrapped for containment of Lead paint. The scope of work for replacing the fascia and trim board will take place in association with abatement and residing the property.

The building does not require to be de-lead. The shingle siding must be repaired where broken or missing to comply with properties lead containment letter. Some existing tiles will need to be replaced/reinstalled to be in compliance and will be quantified as part of the scope of work.

Action Item: BHA to clarify whether or not this property has an existing containment letter. BHA provided a containment letter for each address at Tremont Street.

The chimneys require re-pointing and new flashing at a minimum. It could require a rebuild from the roof up; possibly chimney caps. The base contract will quantify the repointing and carry a number for rebuild and chimney caps. Water damage to some interior finishes in the living space and evidence of rodents in the attic were identified while on site but are not in contract.

166 Cleveland Avenue

This property is of Medium Priority.

The existing roof and gutters are past their useful life. The counter flashing should be able to be reused. The chimney is in good condition but may need minor re-pointing, not to be carried in contract. The step flashing at the chimney is to be replaced & a new boot on the vent. There are no active leaks but there was a prior leak at the vent and some sheathing may need to be replaced. The trim at the back porch roof is to be repainted.

A cable dish is currently located on the roof. BHA is to determine if they will allow the antenna to be relocated and who the service is. Likely the relocation is to be completed by the service provider as it is their equipment and responsibility to insure its proper use. NPS is to clarify how the dish affects the roof warranty.

Action Item: BHA to rule on whether or not the antenna is allowed Action Item: NPS is to best understand how the warrantee is addressed when auxiliary equipment is mounted to the roof.

New Scope:

NPS noted the significant deterioration at the entry awning roof. The sagging roof is likely attributed to worn and missing cap flashing at the lower capital. The scope would require that the roof be braced, the lower portion disassembled replacing damaged wood and flashing and reassembling. A finish coat of paint applied to the entire unit. It is recommended by NPS that this work be completed at the time of

the roofing due to the state of deterioration and the fact that if work was completed at a later date it would affect roof work completed in association with this contract; possibly voiding the warranty. There is damaged siding near the roofline on the south elevation; repairing damage siding such as this area is not included in scope.

285 Quincy Avenue

This property is of high priority due to the extensive wear on the existing roof. Both the main house and the garage require a new roof, gutters and downspouts. The roof form is of medium complexity, mainly due to the overall building height standing at 3+ stories. There is minimal step flashing. It could not be determined if the counter flashing can be reused at the windows. New flashing is required at the entry roof as it has detached itself from behind the vinyl siding. There are two large areas of bubbled/warped siding on the building and the repair of the vinyl siding is not in the scope.

New Scope:

A small entry roof attached to the building on the north elevation is slumping indicating water and/or structural damage. The roof covers a non tempered, outdoor entry. Unit costs are to be carried to cover possible scopes of work for the roof to include replacing sheathing, sistering rafters and repair to trim as needed. The roof likely does not require a re-build.

16 Bellevue Road

This property is of highest priority due to the active leak, increasing damage to the interior finishes, and structural damage. The roof and gutters are in need of revision as noted in the work order.

Additional Scope:

There was a visible slump on one side of the roof near a dormer. Upon investigation inside the attic a failed structural connection where the dormer meets an undersized roof rafters/beams with an undersized connection. The condition is present at both dormers and worse at the side that is visible from grade outside the building. The structural repair should be addressed as soon as possible, and best to complete the work before re-roofing the property. New flashing at the dormer ridge connection and valley will be necessary.

There is a considerable amount of water staining on the floorboards in the attic. It was not possible to determine which stains were from existing leaks. From an initial review outside the building the chimney will require re-pointing. While in the attic it is noted that the mortar is soft and loose approximately 3' below the roof line and at times there are loose bricks. It is recommended that scope be carried to re-point from the roof up and a unit price for a rebuilt be included in case As the mortar has not been washed out to the floor of the attic it is possible the water infiltration is coming from within the chimney. The project scope is to include a chimney cap at this location. The insulation below the floorboards does not have evidence of moisture damage. There is damage to the interior finishes in the living space stairwell (mold & staining) from the roof leak. Repairing/ refinishing this work is not in contract.

CONSTRUCTION COST ESTIMATE
Final SD Estimate Summary Page

Item		
HIGHLAND GREEN 667-3 at ROOSEVELT STREET		\$ 290,922
Building Type 1 - 4 Units (3) Total	\$ 17,043	\$ 51,129
Building Type 2 - 8 Units (2) Total	\$ 33,659	\$ 67,318
Building Type 3 - 10 Units (3) Total	\$ 41,882	\$ 125,646
Building Type 4 - Community Center	\$ 46,829	\$ 46,829
705-1A at 43 HILLVIEW ROAD		\$ 12,271
Gutters and Downspouts		\$ 2,451
Reroofing		\$ 9,820
705-2A at 40-42 TREMONT STREET		\$ 118,504
Reroofing Asphalt Roofs, Gutters, Downspouts		\$ 26,600
Additional Option A - Replace Facia		\$ 9,086
Additional Option B - Repoint (2) Chimneys		\$ 8,100
Additional Option C - Remediate & New Vinyl Siding		\$ 66,516
Additional Option D -Membrane Roof at Entries		\$ 8,202
NIC - Interior finish water damage		
NIC - Critter/Rodent Presence		
705-1B at 166 CLEVELAND AVENUE		\$ 15,596
Reroofing Asphalt Roofs, Gutters, Downspouts		\$ 11,796
Additional Option E - Repair Entry Awning		\$ 3,800
NIC - Damaged Siding Repair		
705-2B at 285 QUINCY AVENUE		\$ 21,198
Reroofing Asphalt Roofs, Gutters, Downspouts		\$ 21,198
705-1C at BELLEVUE ROAD		\$ 19,991
Reroofing Asphalt Roofs, Gutters, Downspouts		\$ 15,491
Structural Repairs		\$ 4,500
SUBTOTAL		\$ 478,482
Contingency 5% design, 5% Construction = %10		\$ 47,848
GC Overhead & Profit @ 20%		\$ 95,696
TOTAL		\$ 622,026
DHCD BUDGET		\$ 195,000
DIFFERENCE		\$ (427,026)

BRAINTREE HOUSING AUTHORITY
25 ROOSEVELT STREET
BRAINTREE, MA 02184
TEL. (781) 848-1484 FAX (781) 380-4333

Lauren P. Murphy
Executive Director

Roof/Siding Replacement Cost and Funding

Cost

667 Roof Replacement – Roosevelt Street \$378,196.00

705 Family Housing – Scattered Site
Roof and Siding Replacement \$227,876.00 -
HILAPP Eligible-285 Quincy Ave.,
40-42 Tremont St., 166 Cleveland Ave.
16 Bellevue Rd.

705 Family Housing – 43 Hill View Rd. \$15,952.00
Not Eligible HILAPP

Total Funds Needed \$622,024.00

Funding Resources

\$151,917 HILAPP
\$150,000 Formula Funding

CPA Request \$320,107.00



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor

01 February 2013

Marta Googins
Chairperson, Braintree Housing Authority

Dear Chairperson:

I am pleased to issue this FY15 formula funding award letter which represents your first annual formula funding allocation. I am also pleased to report that FF is off to a tremendous start. In the past year and a half every single Local Housing Authority (LHA) submitted a Capital Improvement Plan (CIP) and 96% of these plans have been approved by DHCD. These plans contain literally thousands of public housing improvement projects, 1,400 of which are currently being implemented, with another 500+ expected to start in FY 13. Furthermore, data in the CIPs together with LHA energy reports have been utilized to combine FF with federal, state and utility funding to implement energy upgrades targeting the neediest developments. That means that, state-wide, public housing will see greatly improved conditions that make for easier and less costly maintenance and operations and greater resident satisfaction.

This FF award letter is the first of the annual award letters you can now count on going forward. In June, 2010, when DHCD issued the first FF awards for FY 12, 13 and 14 as the basis for your first CIP, you were told to expect an additional FF annual allocation and an additional year of corresponding projected spending cap (cap share) for each succeeding fiscal year. This system now provides you with a continuous, predictable three-year stream of funds so you can confidently plan for your most urgent building preservation needs.

Your FY 15 formula funding award is \$166,871.

For most LHAs this award is equal to the FY 15 planning amount that you worked with in the Capital Improvement Management System (CIMS), and for which you have already identified projects in your CIP. In some cases the award amount has been adjusted to reflect "carryover" costs or savings for older projects that pre-dated FF. If your Authority is in this category, your Executive Director will receive separate correspondence with details as to how your award has been modified.



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Aaron Gornstein, Undersecretary

August 21, 2013

Ms. Lauren P. Murphy, Executive Director
Braintree Housing Authority
25 Roosevelt St.
Braintree, MA 02184

RE: HILAPP Application for 705-1B Cleveland ave
705-1C Bellevue Rd
705-2A Tremont St
705-2B Quincy Ave

Dear Lauren Murphy:

As you know, applications for the Department's new High Leverage Asset Preservation Program (HILAPP) are subject to a two-stage review process. I am pleased to inform you that the Braintree Housing Authority's application for HILAPP funds for the modernization of the above listed 705 family state public housing developments has been reviewed and approved as a semi-finalist for HILAPP funding.

In the coming weeks we will collect additional information and visit the development to review conditions as well as discuss your plan in more detail. After this second stage of review, DHCD anticipates making its first HILAPP awards in October, 2013.

Thank you for your interest in the program, and congratulations on your selection as a semi-finalist.

Sincerely,

A handwritten signature in black ink, appearing to read "Lizbeth Heyer".

Lizbeth Heyer
Associate Director for
Public Housing and Rental Assistance



25 ROOSEVELT STREET, BRAINTREE, MASS. 02184
(781) 848-1484 • FAX (781) 380-4333

Lauren P. Murphy
Executive Director

October 10, 2013

Christine Stickney
Director
Office of Planning and Community Development
Town of Braintree
90 Pond Street 2nd Floor
Braintree, MA 02184-5337

Re: Braintree Housing Authority Community Preservation Application

Dear Ms. Stickney:

This letter serves as confirmation that the state-aided public housing portfolio of the Braintree Housing Authority is perpetually affordable for qualified low income residents earning 80% or less of median household income as set by the federal Department of Housing and Urban Development.

The developments include:

William F. McRae Housing, Heritage Lane, 104/1BR units, Ch. 667-1 & 2 Elderly/Disabled Housing;
Marjorie L. Crispin Housing, Roosevelt St., 28/1BR units, Ch. 667-3 Elderly/Disabled Housing;
Congregate Housing, 43 Roosevelt St., 17/1BR units, Ch. 667-4 Elderly/Disabled Housing;
43 Hill View Rd., 1/3BR house, 166 Cleveland Ave., 1/3BR house, 16 Bellevue Rd., 1/3BR house,
40 & 42 Tremont St., 2/3BR units and 285 Quincy Ave., 2/3BR, Ch. 705-1 & 2 Family Housing; and,
130 Quincy Ave., 1/9BR group home, Ch. 689-1 Special Needs Housing.

These units are listed in the Town's Ch. 40B Subsidized Housing Inventory.

I appreciate your efforts towards preserving Braintree's affordable housing supply.

Sincerely,

A handwritten signature in black ink that reads "Lauren Murphy". The signature is fluid and cursive, with a large loop at the end of the last name.

Lauren Murphy
Executive Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CH40B SUBSIDIZED HOUSING INVENTORY

Braintree

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
349	n/a	25 Roosevelt	Rental	19	Perp	No	DHCD
395	Highlands Green	25 Roosevelt?	Rental	58	Perp	No	DHCD
396	Phase I Marge Crispin	Heritage Lane	Rental	76	Perp	No	DHCD
397	Phase II William MacRae	Heritage Lane	Rental	28	Perp	No	DHCD
398	n/a	130 Quincy Avenue	Rental	9	Perp	No	DHCD
399	n/a	Scattered sites	Rental	7	Perp	No	DHCD
400	Caritas Communities	15 Holbrook Ave	Rental	20	07/25/2022	No	MHP
401	AEI Group Homes - Braintree	35 Angela Road/Angela Dr	Rental	4	2025	No	EOHHS
402	Independence Manor	41 Independence Ave.	Rental	95	2018	Yes	MassHousing
403	Independence Manor II	53 Independence Ave.	Rental	50	2022	Yes	HUD
404	Logan Park	193 Grove Street	Rental	100	2014	No	MassHousing
405	Monatiquot Village	Union & Commercial Sts.	Rental	59	2013*	No	MassHousing
406	Skyline Drive I	Skyline Drive	Rental	84	2013	No	MassHousing
407	Skyline Drive II	Skyline Drive	Rental	108	2018	No	MassHousing
408	Skyline Drive III	Skyline Drive	Rental	48	2018	No	MassHousing
3750	Turtle Crossing Condominiums	501 Commerce Drive	Ownership	51	perp.	Yes	MassHousing
4222	DDS Group Homes	Confidential	Rental	39	N/A	No	DDS
4547	DMH Group Homes	Confidential	Rental	5	N/A	No	DMH
5633	Residences at Richardl Reservoir	614 Pond Street	Ownership	36	perp	Yes	MassHousing

2/27/2012

This data is derived from information provided to the Department of Housing and Community Development (DHCD) by individual communities and is subject to change as new information is obtained and use restrictions expire.

BRAINTREE HOUSING AUTHORITY
25 ROOSEVELT STREET
BRAINTREE, MA 02184
TEL. (781) 848-1484 FAX (781) 380-4333

Lauren P. Murphy
Executive Director

Below please find the Book and Page number for the properties owned by the Braintree Housing Authority.

- 43 Hill View Road 5272-32
- 166 Cleveland Avenue 5272-31
- 40-42 Tremont St. 5990-161
- 16 Bellevue Road 5264-252
- 285 Quincy Avenue 6518-354
- Roosevelt Street 5887-265

There are no outstanding mortgages/liens and/or other encumbrances on any property owned by the Braintree Housing Authority including the above mentioned.

BRAINTREE HOUSING AUTHORITY
25 ROOSEVELT STREET
BRAINTREE, MA 02184
TEL. (781) 848-1484 FAX (781) 380-4333

Lauren P. Murphy
Executive Director

CPA Application
Kitchen and Bathroom Improvements
Cover Sheet

1. Braintree Community Preservation Committee 2013-2014 Application Form
2. Executive Summary
3. Summary of Project Costs with Pictures
4. HILAPP Semi-Finalist Notification
5. Letter to Increase HILAPP Funding
6. Department of Housing and Community Development PHN 2013-12 High Leverage Asset Preservation Program

**BRAINTREE COMMUNITY PRESERVATION COMMITTEE
2013-2014 APPLICATION FORM**

Project Name Marjorie L. Crispin Elderly Housing

Project Location – 705 Family Housing Program: 16 Bellevue Road, 40-42 Tremont Street and 285 Quincy Avenue.

Assessors' Plan and Plot **See Attached**

Recorded at **See Attached** Book _____ Page _____

Category (check all that apply):

___ Open Space Number of acres in parcel _____

___ Recreation Number of acres in parcel _____

___ Historic Preservation

X Affordable Housing Number of proposed housing units 0

CPA Funding requested: \$78,445.00 _____

Fiscal Year Request:

2014 \$78,445.00 2015 \$ _____

2016 \$ _____

Expected annual operational/maintenance cost to the town after completion of project:
\$0.00 (Include narrative explaining)

Project Sponsor/Organization Braintree Housing Authority

Contact Lauren Murphy

Address 25 Roosevelt Street

Phone # 781-848-1484 X9 Email lmurphy@braintreehousingauthority.org

Applicants Signature _____

Date Submitted: September 3, 2013

Executive Summary

The Braintree Housing Authority (BHA) respectfully submits an application request to the Community Preservation Committee for consideration. The Board of Commissioners unanimously voted, in support of the submission of this application, at the Housing Authority's regular meeting held August 13, 2013.

This project will benefit the Town of Braintree by preserving existing low income housing for families. The BHA maintains a wait list that contains many families in need of low- income housing.

The project promotes the following Community Housing Goals:

- Maintain or enlarge the Town's percentage of affordable housing units;
- Ensure affordability in perpetuity;
- Preserve or enhance existing affordable housing

It is the goal of the Braintree Housing Authority, to apply for CPA funds to be used towards preserving our family homes. These funds are being requested to assist with the kitchen and bathroom renovations at 40-42 Tremont Street, 16 Bellevue Road and 285 Quincy Avenue, Apt. 1 and 2. The BHA purchased the single and two family homes in the early 1980's. No significant interior improvements have been completed, to date, except for the kitchens located at 285 Quincy Avenue. The kitchen and bathrooms are showing significant signs of wear and tear. Failure to upgrade and preserve these homes could result in them becoming substandard housing and jeopardizing their availability as affordable family housing. Simone Early, Architect for the Department of Housing and Community Development, conducted a physical inspection. In her professional opinion, she is recommending the rehabilitation of these units. Included in this application is Ms. Early's photos and cost estimates.

The need to preserve these homes is extremely important. There is not enough low-income housing available for families in the Town of Braintree. The Authority's family project-based housing program consists of 7 scattered 705 site homes and 60 units at Skyline Apartments. The homes need to be updated so that we can ensure they will remain available for families in need of low-income housing.

To achieve the necessary funding, the BHA is also applying for funds through a program called High Leverage Asset Preservation Program (HILAPP). This funding is made possible by The Department of Housing and Community Development (DHCD) and Massachusetts Housing Partnership (MHP). I have enclosed PHN 2013-12 which explains the program requirements to qualify for HILAPP funding. One major requirement is to have a leverage commitment from another source. Without approved funding from the CPA, the BHA will not qualify for HILAPP funding.

The BHA received notification that it is a semi-finalist for HILAPP funding. The BHA met with representatives from DHCD and MHP. During this meeting, BHA was asked to expand on any

other capital improvement projects that are needed for the qualifying properties. This is the reason for this request.

Simone Earl inspected each kitchen and bathroom. I have attached a copy of the Summary and Project Cost report, which also includes pictures. The estimated cost for kitchen and bathroom improvements is \$235,336.38. CPA funding request is \$78,445.00.

The estimated number of weeks to complete this project is 35 weeks. It is the goal of the BHA and DHCD to complete the project by June 30, 2014.

Summary of Project Costs

Braitree Budget Estimate 40/42 Tremont Duplex	
Two Kitchens and Two Bathroom Renovation	
Two Kitchens	\$ 70,246.64
Two Bathrooms	\$ 42,662.12
Braitree Budget Estimate 285 Quincy Duplex	
Two Bathroom Renovation	
Two Bathrooms	\$ 28,031.20
Braitree Budget Estimate Bellvue Single Family Residence	
Kitchens and Bathroom Renovation	
One Kitchen	\$ 26,379.93
One Bathroom	\$ 18,716.77
TOTAL CONSTRUCTION COSTS	\$ 186,036.66
Architect and Engineers Consultants	\$ 27,905.50
Administrative Costs	\$ 21,394.22

TOTAL for PROJECT	\$ 235,336.38
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Braintree Budget Estimate 40/42 Tremont Duplex										
Two Kitchens and Two Bathroom Renovation		9/26/2013								
Kitchens:										
Division	Category	Item	Basis	Quantity	Unit Cost	Subtotal	Total			
	A. General Conditions	Percentage of Divisions 2-16	LS	5%		\$ 1,483.41	\$ 5,455.22			
	B. Overhead & Profit	Percentage of Divisions 1A + 2-16	LS	10%		\$ 3,115.15				
	C. Bond	Percentage of Div \$ 28,031.20	LS	2.50%		\$ 856.67				
Div 2	Selective Demolition	1. Remove existing Kitchen Cabinets, Appliances, plumbing fixtures, and electric fixtures flooring in kitchen #NAME?	LS	1	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00			
Div 6 & 7	Rough Carpentry	1. Framing for Cabinet Supports	LS	1	\$ 150.00	\$ 150.00	\$ 500.00			
		2. Insulation at exterior walls	LS	1	\$ 350.00	\$ 350.00				
Div 8	Windows	1. Install Window	EA	1	\$ 600.00	\$ 600.00	\$ 600.00			
Div 9	Finishes	1. Install VCT floor and cove base	SF	918	\$ 8.00	\$ 7,344.00	\$ 13,581.00			
		2. Patch/Prep/Paint existing walls, ceilings & trim	SF	1782	\$ 3.50	\$ 6,237.00				
Div 11	Appliances	1. Electric Range	EA	1	\$ 800.00	\$ 800.00	\$ 1,000.00			
		2. Recirculating Range Hood	EA	1	\$ 200.00	\$ 200.00				
Div 12	Cabinets	1. Base and Wall Cabinets	LF	20	\$ 135.00	\$ 2,700.00	\$ 3,890.00			
		2. Plastic Laminate Counters	LF	17	\$ 70.00	\$ 1,190.00				
Div 22	Plumbing	1. Sink and Faucet	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 1,700.00			
		2. Install Sink	EA	1	\$ 200.00	\$ 200.00				
		3. Upgrade Plumbing	LS	1	\$ 500.00	\$ 500.00				
Div 23	HVAC	1. Relocate Under Sink Heat Unit	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00			
Div 28	Electrical	1. Install new light fixtures	EA	3	\$ 200.00	\$ 600.00	\$ 3,100.00			
		2. Upgrade Electrical	LS	1	\$ 2,500.00	\$ 2,500.00				
	Contingency					\$ 2,697.10	\$ 2,697.10			
TOTAL FOR CONSTRUCTION SECTIONS 2-28								\$ 29,668.10		
TOTAL ALL SECTIONS							TOTAL FOR ONE KITCHEN		\$ 35,123.32	
							TOTAL FOR BOTH KITCHENS		\$ 70,246.64	

Braintree Budget Estimate 40/42 Tremont Duplex										
Two Kitchens and Two Bathroom Renovation		9/26/2013								
Bathrooms:										
Division	Category	Item	Basis	Quantity	Unit Cost	Subtotal	Total			
	A. General Conditions	Percentage of Divisions 2-16	LS	5%		\$ 900.90	\$ 3,313.06			
	B. Overhead & Profit	Percentage of Divisions 1A + 2-16	LS	10%		\$ 1,891.89				
	C. Bond	Percentage of Divisions 1A+1B+2-16	LS	2.50%		\$ 520.27				
Div 2	Selective Demolition	1. Demo of existing sink, tub and surround, flooring, lights, tile wainscot, towel bars, med cab. Dump.	LS	1	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00			
Div 6 & 7	Rough Carpentry	1. Framing for Supports	LS	1	\$ 150.00	\$ 150.00	\$ 2,200.00			
		2. Insulation at exterior walls	LS	1	\$ 130.00	\$ 130.00				
		3. GWB at wall to cover areas where tile removed/ Backer for solid surface	SF	160	\$ 12.00	\$ 1,920.00				
Div 9	Finishes	1. Install non-skid resilient floor and base and sub fir	SF	130	\$ 9.50	\$ 1,235.00	\$ 5,875.00			
		2. Install solid surface walls at tub	EA	1	\$ 2,300.00	\$ 2,300.00				
		3. Install 4'h solid surface wainscots at sink and toilet w	EA	1	\$ 1,500.00	\$ 1,500.00				
		4. Patch/Prep/Paint existing walls, ceilings & trim	SF	240	\$ 3.50	\$ 840.00				
Div 10	Accessories	1. Install new shower rod	EA	1	\$ 25.00	\$ 25.00	\$ 505.00			
		2. New toilet accessories	EA	1	\$ 280.00	\$ 280.00				
		3. New med cab/mirror	EA	1	\$ 200.00	\$ 200.00				
Div 22	Plumbing	1. Install mixing valve, shower appurtenances and cast iron tub	EA	1	\$ 2,000.00	\$ 2,000.00	\$ 5,000.00			
		2. Install lavatory, faucets and vanity cabinet	EA	1	\$ 1,500.00	\$ 1,500.00				
		3. Upgrade Plumbing	LS	1	\$ 1,500.00	\$ 1,500.00				
Div 28	Electrical	1. Install new light fixture.	EA	2	\$ 200.00	\$ 400.00	\$ 1,000.00			
		2. Install vent fan & connect to existing duct work	EA	1	\$ 300.00	\$ 300.00				
		3. Upgrade Electrical	LS	1	\$ 300.00	\$ 300.00				
	Contingency					\$ 1,638.00	\$ 1,638.00			
TOTAL FOR CONSTRUCTION SECTIONS 2-28								\$ 18,018.00		
TOTAL ALL SECTIONS				TOTAL FOR ONE BATHROOM			\$ 21,331.06			
							TOTAL FOR BOTH BATHROOMS			
							\$ 42,662.12			

Bathroom Quincy

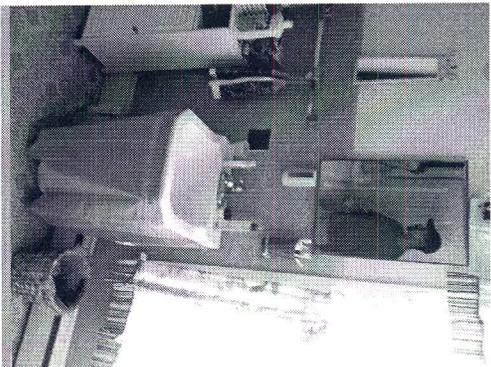
Braintree Budget Estimate 285 Quincy Duplex									
Two Bathroom Renovation									
9/26/2013									
Bathrooms:									
Division	Category	Item	Basis	Quantity	Unit Cost	Subtotal	Total		
	A. General Conditions	Percentage of Divisions 2-16	LS	5%		\$ 591.94	\$ 2,176.85		
	B. Overhead & Profit	Percentage of Divisions 1A + 2-16	LS	10%		\$ 1,243.07			
	C. Bond	Percentage of Divisions 1A+1B+2-16	LS	2.50%		\$ 341.84			
Div 2	Selective Demolition	1. Demo of existing sink, tub and surround, flooring, lights, towel bars, med cab. Dump.	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00		
Div 6 & 7	Rough Carpentry	1. Framing for Supports	LS	1	\$ 150.00	\$ 150.00	\$ 750.00		
		3. Backer for solid surface	SF	50	\$ 12.00	\$ 600.00			
Div 9	Finishes	1. Install non-skid resilient floor and base and sub flr	SF	35	\$ 9.50	\$ 332.50	\$ 3,157.50		
		2. Install solid surface walls at tub	EA	1	\$ 2,300.00	\$ 2,300.00			
		4. Patch/Prep/Paint existing walls, ceilings & trim	SF	150	\$ 3.50	\$ 525.00			
Div 10	Accessories	1. Install new shower rod	EA	1	\$ 25.00	\$ 25.00	\$ 505.00		
		2. New toilet accessories	EA	1	\$ 280.00	\$ 280.00			
		3. New med cab/mirror	EA	1	\$ 200.00	\$ 200.00			
Div 22	Plumbing	1. Install mixing valve, shower appurtenances and cast iron tub	EA	1	\$ 2,000.00	\$ 2,000.00	\$ 4,500.00		
		2. Install wall hung lavatory and faucets	EA	1	\$ 1,000.00	\$ 1,000.00			
		3. Upgrade Plumbing	LS	1	\$ 1,500.00	\$ 1,500.00			
Div 28	Electrical	1. Install new light fixture.	EA	2	\$ 200.00	\$ 400.00	\$ 850.00		
		2. Install vent fan & connect to existing duct work	EA	1	\$ 300.00	\$ 300.00			
		3. Upgrade Electrical	LS	1	\$ 150.00	\$ 150.00			
	Contingency					\$ 1,076.25	\$ 1,076.25		
TOTAL FOR CONSTRUCTION SECTIONS 2-28								\$ 11,838.75	
TOTAL ALL SECTIONS								TOTAL FOR ONE BATHROOM	
								\$ 14,015.60	
								TOTAL FOR BOTH BATHROOMS	
								\$ 28,031.20	

Braintree Budget Estimate Bellevue Single Family Residence										
Kitchens and Bathroom Renovation 9/26/2013										
Kitchen:										
Division	Category	Item	Basis	Quantity	Unit Cost	Subtotal	Total			
	A. General Conditions	Percentage of Divisions 2-16	LS	5%		\$ 1,114.14	\$ 4,097.23			
	B. Overhead & Profit	Percentage of Divisions 1A + 2-16	LS	10%		\$ 2,339.68				
	C. Bond	Percentage of Divisions 1A+1B+2-16	LS	2.50%		\$ 643.41				
Div 2	Selective Demolition	1. Remove existing Kitchen Cabinets, Appliances, plumbing fixtures, and electric fixtures flooring in kitchen, mud room and pantry, and wallpaper	LS	1	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00			
Div 6 & 7	Rough Carpentry	1. Framing for Cabinet Supports	LS	1	\$ 150.00	\$ 150.00	\$ 500.00			
		2. Insulation at exterior walls	LS	1	\$ 350.00	\$ 350.00				
Div 9	Finishes	1. Install VCT floor and cove base	SF	204	\$ 8.00	\$ 1,632.00	\$ 8,132.00			
		2. Install GWB at ceiling where removed	SF	100	\$ 12.00	\$ 1,200.00				
		3. Patch/Prep/Paint existing walls, ceilings & trim	SF	1000	\$ 3.50	\$ 3,500.00				
		4. Patch/Prep/Paint existing walls, ceilings & trim at Stair	SF	400	\$ 3.50	\$ 1,400.00				
		5. New stair tread covers	LS	1	\$ 400.00	\$ 400.00				
Div 11	Appliances	1. Electric Range	EA	1	\$ 800.00	\$ 800.00	\$ 1,000.00			
		2. Recirculating Range Hood	EA	1	\$ 200.00	\$ 200.00				
Div 12	Cabinets	1. Base and Wall Cabinets	LF	13	\$ 135.00	\$ 1,755.00	\$ 3,025.00			
		2. Shallow Pantry Cabinet	LF	3	\$ 120.00	\$ 360.00				
		3. Plastic Laminate Counters	LF	13	\$ 70.00	\$ 910.00				
Div 22	Plumbing	1. Sink and Faucet	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 1,900.00			
		2. Install Sink	EA	1	\$ 200.00	\$ 200.00				
		3. Install Existing Dishwasher	EA	1	\$ 200.00	\$ 200.00				
		4. Upgrade Plumbing kitchen	LS	1	\$ 500.00	\$ 500.00				
Div 23	HVAC	1. Replace Heat Unit	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00			
Div 28	Electrical	1. Install new light fixtures	EA	3	\$ 200.00	\$ 600.00	\$ 3,100.00			
		2. Upgrade Electrical	LS	1	\$ 2,500.00	\$ 2,500.00				
	Contingency					\$ 2,025.70	\$ 2,025.70			
TOTAL FOR CONSTRUCTION SECTIONS 2-28								\$ 22,282.70		
TOTAL ALL SECTIONS									TOTAL FOR ONE KITCHEN	\$ 26,379.93

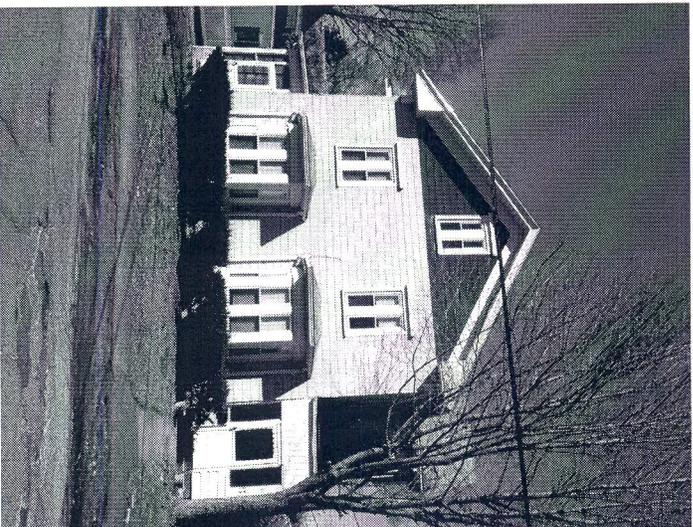
Braintree Budget Estimate Bellevue Single Family Residence										
Kitchens and Bathroom Renovation			9/26/2013							
Bathroom:										
Division	Category	Item	Basis	Quantity	Unit Cost	Subtotal	Total			
	A. General Conditions	Percentage of Divisions 2-16	LS	5%		\$ 790.49	\$ 2,907.02			
	B. Overhead & Profit	Percentage of Divisions 1A + 2-16	LS	10%		\$ 1,660.02				
	C. Bond	Percentage of Divisions 1A+1B+2-16	LS	2.50%		\$ 456.51				
Div 2	Selective Demolition	1. Demo of existing sink, tub and surround, flooring, lights, towel bars, med cab. Dump.	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00			
Div 6 & 7	Rough Carpentry	1. Framing for Supports	LS	1	\$ 150.00	\$ 150.00	\$ 1,100.00			
		3. Backer for solid surface	SF	50	\$ 12.00	\$ 600.00				
		3. Insulation at exterior walls	LS	1	\$ 350.00	\$ 350.00				
Div 9	Finishes	1. Install non-skid resilient floor and base and sub flr	SF	60	\$ 9.50	\$ 570.00	\$ 3,867.50			
		2. Install solid surface walls at tub	EA	1	\$ 2,300.00	\$ 2,300.00				
		3. Patch/Prep/Paint existing walls, ceilings & trim	SF	285	\$ 3.50	\$ 997.50				
Div 10	Accessories	1. Install new shower rod	EA	1	\$ 25.00	\$ 25.00	\$ 505.00			
		2. New toilet accessories	EA	1	\$ 280.00	\$ 280.00				
		3. New med cab/mirror	EA	1	\$ 200.00	\$ 200.00				
Div 22	Plumbing	1. Install mixing valve, shower appurtenances and cast iron tub	EA	1	\$ 2,000.00	\$ 2,000.00	\$ 6,500.00			
		2. Install lavatory vanity and faucets	EA	1	\$ 1,500.00	\$ 1,500.00				
		3. Install New toilet	EA	1	\$ 1,500.00	\$ 1,500.00				
		4. Upgrade Plumbing	LS	1	\$ 1,500.00	\$ 1,500.00				
Div 28	Electrical	1. Install new light fixture.	EA	2	\$ 200.00	\$ 400.00	\$ 1,400.00			
		2. Install new vent fan & duct work	EA	1	\$ 700.00	\$ 700.00				
		3. Upgrade Electrical	LS	1	\$ 300.00	\$ 300.00				
	Contingency					\$ 1,437.25	\$ 1,437.25			
TOTAL FOR CONSTRUCTION SECTIONS 2-28								\$ 15,809.75		
TOTAL ALL SECTIONS							TOTAL FOR ONE BATHROOM		\$ 18,716.77	



Tremont Kitchens



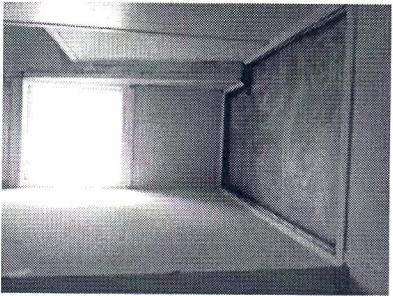
Tremont Bathrooms



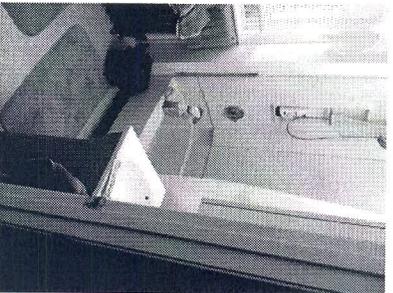
Tremont Exterior



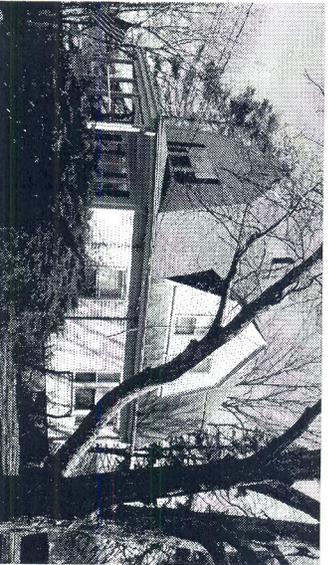
Bellevue Kitchen



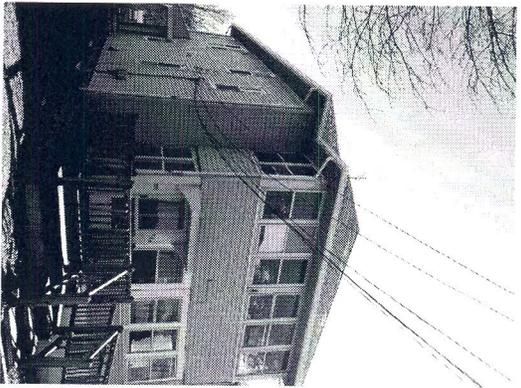
Bellevue Stair Corridor



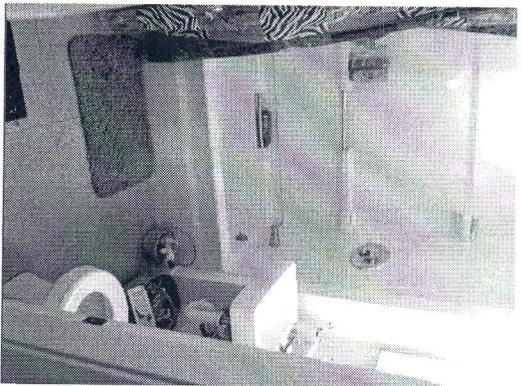
Bellevue Bathroom



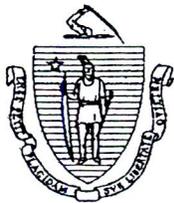
Bellevue Exterior



Quincy Exterior



Quincy Bathroom



Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Aaron Gornstein, Undersecretary

August 21, 2013

Ms. Lauren P. Murphy, Executive Director
Braintree Housing Authority
25 Roosevelt St.
Braintree, MA 02184

RE: HILAPP Application for 705-1B Cleveland ave
705-1C Bellevue Rd
705-2A Tremont St
705-2B Quincy Ave

Dear Lauren Murphy:

As you know, applications for the Department's new High Leverage Asset Preservation Program (HILAPP) are subject to a two-stage review process. I am pleased to inform you that the Braintree Housing Authority's application for HILAPP funds for the modernization of the above listed 705 family state public housing developments has been reviewed and approved as a semi-finalist for HILAPP funding.

In the coming weeks we will collect additional information and visit the development to review conditions as well as discuss your plan in more detail. After this second stage of review, DHCD anticipates making its first HILAPP awards in October, 2013.

Thank you for your interest in the program, and congratulations on your selection as a semi-finalist.

Sincerely,

A handwritten signature in black ink, appearing to read "Lizbeth Heyer".

Lizbeth Heyer
Associate Director for
Public Housing and Rental Assistance

Please note, in the attached letter to MHP, the cost of \$219,472 was based on an estimated cost another local housing authority used for their 2013 family housing kitchen and bathroom improvements. The total has been revised on the application to reflect the estimated cost provided in the report completed by Simone Early.

BRAINTREE HOUSING AUTHORITY
25 ROOSEVELT STREET
BRAINTREE, MA 02184
TEL. (781) 848-1484 FAX (781) 380-4333

Lauren P. Murphy
Executive Director

September 10, 2013

Susan Connolly
Director of Community Housing Partnership
Massachusetts Housing Partnership
160 Federal Street
Boston, MA 02110

RE: HILAPP – 2013 Revised Funding Request for Roof Replacement for 705-2A, 705-1B, 705-2B and 705-1C.

Dear Susan Connolly,

On June 18, 2013, I submitted to you an application for HILAPP Funding. The amount was \$21,240 which was to be used towards 705 roof replacement. After further inspection of the roofs, it was determined that the cost is expected to be significantly higher and additional work is needed. The additional work is for siding at 705-2A. The siding is asbestos tile and actively containing lead painted wood siding. Some sections of the siding are deteriorating.

Other work to be included is the rehabbing of the kitchen and bathrooms for the above mentioned properties with the exception of 705-1B. The kitchen and baths have not been significantly updated in over thirty years.

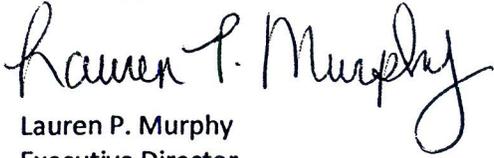
	Cost	HILAPP Request	CPA Request
Roofs 705-2A, 705-1B 705-2B, 705-1C	\$291,472	\$151,918	\$149,116
Siding 705-2A			
Kitchen/Baths 705-2A, 705-2B, 705-1C	\$219,472	\$146,315	\$73,157

I am requesting \$298,233 in HILAPP Funding. On September 3, 2013 I submitted an application to the Town of Braintree CPA Committee requesting \$222,273 as leverage funds to be used towards this request.

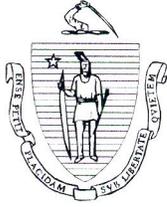
I have included cost estimates for all improvements. Next Phase Studios prepared the roof and siding estimates. For the kitchen and bath costs, I used current estimates created for the bath and kitchen project at the Canton Housing Authority's family housing development.

Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Lauren P. Murphy". The signature is written in a cursive style with a large, looped "M" at the end.

Lauren P. Murphy
Executive Director



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ◆ Timothy P. Murray, Lt. Governor ◆ Aaron Gornstein, Undersecretary

Public Housing Notice 2013-12

To: All Local Housing Authority Executive Directors

From: Lizbeth Heyer, Associate Director, Division of Public Housing & Rental Assistance

Subject: Request for Proposals - High Leverage Asset Preservation Program

Date: May 20, 2013

1. Overview

The Department of Housing and Community Development (DHCD) is pleased to announce the launch of the High Leverage Asset Preservation Program (HILAPP) and solicit first-round applications for funding. DHCD developed HILAPP in partnership with MassNAHRO and other affordable housing leaders who are part of the Mixed-Finance and Funding Working Group. DHCD convened this working group in fall 2012 in accordance with recommendations from the Governor's Commission on Public Housing Sustainability and Reform. The Massachusetts Housing Partnership (MHP) has been an active member of the working group and will continue to support DHCD in the management of HILAPP. MHP will be assisting with the application review and pre-development processes.

HILAPP is a complement to the Formula Funding program which was launched five years ago. Whereas Formula Funding predictably disburses capital bond funds across the entire state-aided public housing portfolio according to a needs-based formula, HILAPP grants funding awards via competitive process. The program is guided by the following core principles:

- a) Preserve as many units as possible;
- b) Prioritize developments with significant capital needs that cannot sufficiently be addressed with Formula Funding;
- c) Prioritize developments in communities with the highest need for extremely low income housing; and
- d) Leverage as much capital as possible from sources other than DHCD.

Over the next five fiscal years, DHCD intends to distribute a total of approximately \$75 million in capital funds through HILAPP. Program spending will ramp-up gradually, since the availability of funds is limited by the number of existing legacy projects (from a pre-Formula Funding program known as 'CAR') that are still under construction. From FY14 through 16, DHCD will disburse only modest funds (approximately \$20 million over the three-year period). However, beginning in FY17, DHCD estimates that most 'CAR' projects will be finished, and the HILAPP program will regularly disburse more than \$20 million annually.

In the ramp-up years, FY14 through 16, HILAPP funds will primarily support pre-development due diligence and technical assistance for selected projects. In situations where projects have already secured, or can quickly secure,

a local match, HILAPP will also support initial construction costs. DHCD plans to repeat the competitive award process annually, funding permitting, in order to build and maintain a consistent pipeline of HILAPP projects.

2. Eligible Developments

In this first round, HILAPP funding is reserved for modernization of state-aided public housing developments that have a facility condition index (FCI) of 15% or higher as recorded on 12/31/12 in DHCD’s Capital Planning System (CPS). Developments that have existing project-based Section 8 units are not eligible. A breakdown of eligible developments is outlined in the chart below.

PROGRAM GROUP	15% FCI or higher	
	Developments	Units
Ch. 167	4	40
Ch. 689	55	251
Ch. 667	57	2878
Ch. 200	14	2124
Ch. 705	267	1669
TOTAL	397	6962
% of PORTFOLIO	29%	16%

See Attachment B for a complete list of eligible developments. If a Local Housing Authority (LHA) believes that an eligible development has been omitted from the attached list due to error in the CPS generated FCI calculation, then the LHA may submit an appeal along with the application for that development.

PLEASE NOTE: In order to be considered for an award, applying LHAs must be up to date with all DHCD reporting, capital planning, and certification requirements.

3. Eligible Activities

Eligible HILAPP funded capital improvement activities include: partial modernization, comprehensive modernization, and redevelopment. While DHCD will accept proposals that include new construction, HILAPP awards can only be applied to the modernization or statutory one-for-one replacement portion of the project, not toward the construction of net additional new units.

4. Application Process and Requirements

In order to apply for this program, LHAs must submit a very brief, one-paragraph letter of interest via email to Susan Connelly (sconnelly@mhp.net) by Friday, May 31, 2013. The letter should list the development name(s) and number(s) for which the LHA intends to submit an application(s) as well as a primary contact person with contact information. In the subject of the email, please write: ‘HILAPP LOI’.

Complete applications will be due **at 4:00pm** on Wednesday, June 19, 2013. LHAs must submit one application package per development. An LHA may submit multiple applications but may not submit more than one application per program group (ch.167, 689, 667, 200, 705). Scattered site developments of the same program group may be bundled into one application.

Please note that LHAs are required to complete this application without the assistance of a consultant; the application is relatively simple in order to encourage broad participation. While DHCD recognizes that certain projects will benefit from the assistance of a development consultant, we are prohibiting their use during the initial application phase in order to emphasize the importance of LHA leadership and initiative in undertaking these time consuming projects.

Each application must include:

- a) A completed application form (Attachment A).
- b) A narrative cover letter briefly explaining why the proposed development is a strong candidate for HILAPP funds. Letter must be signed by the chair of board of commissioners and executive director (2 pages maximum).
- c) Resume(s) for key staff/ board overseeing the project.
- d) Interior and exterior photos of the property (12 maximum).
- e) Site plan (e.g. copy of assessor's map).
- f) Accompanying letters of intent and/or support from likely funding sources.
- g) A board vote of application approval, as evidenced by a certified extract from the minutes of the board meeting.
- h) A letter from the head of the tenant organization(s) or representative of tenants that demonstrates evidence of compliance with tenant participation regulations (760 CMR 11.10) If no letter can be obtained, then the LHA director may instead submit a letter certifying that tenants were involved in setting the needs and priorities of the application.

PLEASE NOTE: Items f), g), and h) above may be submitted after the application due date, but no later than Friday, July 19, 2013.

Applications are due by **4:00 pm** on Wednesday, June 19, 2013. LHAs must email one electronic copy (scanned pdf) of the complete application to: Susan Connelly (sconnelly@mhp.net). In the subject of the email, please write: 'HILAPP application'. Applicants may choose to submit a hard copy (one copy) instead of an electronic copy to Ms. Connelly at the address below. The due date and time are the same.

Contact Ms. Connelly, by email, if you have questions about this process. During the open application time, frequently asked questions and responses will be circulated to the contacts provided in the letter of interest. All questions must be received by 5:00 pm Tuesday June 11, 2013. A complete summary of submitted questions will be circulated on or before June 14, 2013.:

Susan Connelly, Director of Community Housing Initiatives
Massachusetts Housing Partnership
160 Federal Street
Boston, MA 02110

Because funds are limited, and DHCD does not want the application process to be unnecessarily onerous, there will be a two-stage review process. DHCD and MHP will review all completed applications and notify semi-finalists by August 15, 2013. Semi-finalists will then be asked to respond to requests for more information and host a review team site visit. After this second stage of review, DHCD will award pre-development funds to finalist projects. DHCD anticipates making the first HILAPP awards in October 2013.

5. Grant Limits

Pre-development awards will vary in amount according to project scale and complexity. The review team will determine the appropriate funding level. The maximum pre-development award will be \$100,000, though DHCD expects that most projects will receive significantly less than that amount. The pre-development award will be applied to feasibility analysis, project development, and due diligence services. MHP will assign a pre-qualified lead development or project management consultant to work with the LHA, if needed.

Regarding maximum awards,

- The majority of HILAPP funding (75%) shall go to projects that request no more than \$65,000 per unit from DHCD.
- The remaining portion of funding (25%) is reserved for developments facing high levels of distress and/or functional obsolescence. These projects may request no more than \$165,000 per unit from DHCD.

DHCD will aim to achieve the above distribution goals over the course of five years but will not necessarily segregate awards along these lines in any single year.

DHCD reserves the right to limit HILAPP funds per project and/or applicant.

6. Competitive Evaluation Criteria

In order to qualify for review, projects need to meet minimum scoring levels for all four criteria described below:

Criteria	Minimum Points Needed	Maximum Points Available
Scope	10	20
Leverage	5	25
Project & Property Management Capacity	10	20
Community Need	5	10
Total Application Score Range	30	75

a. Scope (20 points; minimum score of 10 required)

Applicants should strive to determine a scope that is at the same time cost-effective and sufficient to ensure the continued sustainability, marketability and security of the units. Applications should propose projects that allow developments to meet 20 years of capital needs, assuming Formula Funding will remain at current levels. The scope must account for bringing the development up to current state and federal accessibility code requirements. All work must comply with DHCD design and construction standards. Projects will earn up to 20 points for this category and must meet a threshold score of 10 points.

- Up to 10 points will be awarded for adequacy and quality of proposed rehab scope to ensure sustainability, marketability and security.
- Up to 10 points will be awarded for cost-effectiveness of rehab choices (i.e., work is sufficient but not excessive; good rehab value for the dollar).

b. Leverage (25 points; minimum score of 5 required)

Given the timing of this RFP process, it is understood that most applications will not have firm commitments of matching funds. LHAs without firm commitments should instead identify possible sources of funding, a time line and process for acquiring the funding and, when possible, letters of intent or support from likely sources.

Projects will earn 1 point for every \$0.10 of matching funds provided per dollar of state capital funds, up to a maximum of 25 points. For example, a project providing \$2.00 of other funds for every dollar of DHCD capital funds will earn 20 points. Projects must score at least 5 points in this category in order to be eligible for funding (in other words, projects must leverage at least \$0.50 for each DHCD dollar). Firmer commitments of funding shall be weighted higher in the scoring of this section.

Potential matching fund sources include, but are not limited to:

- Community Preservation Act (CPA) funds
- Other locally-controlled funds (such as CDBG, HOME, local housing trusts, etc.)
- Tax credit equity
- Conventional mortgage financing (beyond Section 8 leverage, as described below).
- Operating support (project-based Section 8)
- Property tax relief, to the extent that it lowers existing PILOT payments
- Utility energy efficiency funding through Energy Star or Low Income Multifamily Energy Retrofit programs.
- Other sources identified by LHAs

Sources of funds that will not count toward match include:

- Formula Funding
- Operating Reserves
- Grants from programs that are managed by other divisions of DHCD

c. LHA Project and Property Management Capacity (20 points; minimum score of 10 required)

Applicants will earn up to 20 points for a high level of development and management capacity relative to the requirements of the proposed project. Applicants must meet a threshold score of 10 points in this category (5 for project management and 5 for property management). Where appropriate, the review team will consult historical data to assess LHA capacity.

- Up to 10 points will be awarded for LHAs that can demonstrate expertise and experience in completing development and/or construction projects effectively and efficiently according to schedule and within the projected budget.
- Up to 10 points will be awarded for LHAs that can demonstrate strong property management capacity in compliance with the requirements of the proposed rehab funding sources.

d. High Level of Community Need (10 points; minimum score of 5 required)

Projects can earn up to 10 points for a high level of community need for the housing. Projects must meet a threshold score of 5 points in this category. Need must be demonstrated by:

- High levels of demand for this program (667, 200, 705) as demonstrated by the program waitlist. For 689 and 167 developments, this requirement can be met by a letter from the sponsoring state agency (DDS, DMH, DSS) stating a continued need for the development for at least five additional years.
- High levels of demand in other LHA-managed developments serving the same population (i.e., seniors or families), also demonstrated by waitlist data.
- Low vacancy rates in local rental housing, as demonstrated by most recent census or other data.
- High levels of local homelessness among the target population group, as demonstrated by demand for emergency assistance (EA) or other data.
- Other evidence, as proposed by the applicants.

7. Encouraging supportive services

The review team will look favorably on applications for projects at developments with existing or proposed supportive services (with a reliable funding source identified) for residents. Though this is not part of the official threshold evaluation criteria, services may be used by the review team to differentiate between projects with otherwise similarly competitive scores. Please be sure to note service levels in your application.