



## **HBIO Reports 38% Growth in Revenues in Second Quarter Before FX Effects**

HOLLISTON, Mass., Jul 29, 2002 (BW HealthWire) -- Harvard Bioscience, Inc. (Nasdaq: HBIO) today reported financial highlights for the three and six months ended June 30, 2002.

Revenues for the second quarter of 2002 grew 38% from the same quarter in 2001 before favorable foreign exchange effects. Including foreign exchange effects revenue for the second quarter was \$13,728,000, an increase of 41% from \$9,711,000 for the second quarter last year. Pro forma net income for the second quarter was \$1,533,000 compared to \$1,022,000 for the second quarter last year, an increase of 50%, and on a diluted per share basis, \$0.06 per share compared to \$0.04 per share one year ago. Pro forma net income excludes for all periods presented, stock compensation expense and amortization of intangibles, net of tax effects, and for the second quarter of 2001 additionally excludes, net of tax amortization of goodwill and acquired in-process research and development expense related to acquisitions made in the second quarter of 2001.

Revenues for the first six months of 2002 grew 39% before slightly more than a half percent favorable foreign exchange effects. Including foreign exchange effects, revenue was \$25,692,000 million an increase of 40% over revenues of \$18,318,000 for the same period last year. Pro forma net income was \$2,756,000 compared to \$2,180,000 for the same period in 2001, an increase of 26%. On a diluted per share basis, pro forma net income for the first six months of 2002 was \$0.10 per share compared to \$0.09 per share last year.

"We are pleased to report our ninth consecutive quarter of revenue growth, our sixteenth quarter of revenue growth over the comparable period of the prior year and a pro forma earnings per share of \$0.06." commented Chane Graziano, CEO of Harvard Bioscience. He added "It is the strong sales of our core products, the impact of the acquisitions we made last year and the growth in these acquisitions as we leverage our marketing and distribution channels that continue to be the keys to our success. This quarter's revenue growth of 41% now gives us 4 consecutive quarters of greater than 39% growth on a year to year basis further validating our strategy."

On a GAAP basis, reported net income for the second quarter of 2002 was \$1,018,000 compared to a reported net loss for the second quarter of 2001 of \$5,365,000. Reported earnings per share for the second quarter of 2002 was \$0.04 and, for the same period last year reported earnings was a loss of \$0.21. Both periods include charges for stock compensation expense and amortization of intangibles. For 2001 the net loss also included a charge of \$5,447,000 for acquired in-process research and development related to the acquisitions completed during the second quarter of 2001, and charges of \$196,000 for amortization of goodwill which are not included in 2002 results due to the Company's January 2002 adoption of SFAS 142, "Goodwill and Other Intangibles". SFAS 142 requires that goodwill and certain intangibles no longer be amortized, but rather tested annually for impairment.

On a GAAP basis, reported net income for the first six months of 2002 was \$1,791,000 or \$0.07 per share, compared to a loss of \$5,093,000, or \$0.20 per share for the same period last year. HBIO ended the second quarter of 2002 with cash of \$27 million.

As previously announced, investors can listen to a live Webcast of the second quarter earnings and updated outlook by going to the Company's web site, <http://www.harvardbioscience.com>, or by dialing into the conference call in "listen only" mode at (877)-313-7707. The conference call will begin at 6:00pm Eastern Time on Monday July 29, 2002.

### About Harvard Bioscience

Harvard Bioscience is a global developer, manufacturer and marketer of innovative, enabling tools in drug discovery research at pharmaceutical and biotechnology companies, universities and government laboratories. HBIO sells approximately 12,000 products to thousands of researchers in over 60 countries through its direct sales force, 1,000-page catalog, and through its distributors, the most notable of which is Amersham Biosciences (formerly APBiotech). HBIO has sales and manufacturing operations in the United States, the United Kingdom, Germany, Austria and Belgium with sales facilities in France and Canada.

The statements made in this press release that are not statements of historical fact are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to statements about the impact of acquisitions, the Company's intention to strengthen its market position, the Company's business strategy, the

positioning of the Company for growth, the market demand and opportunity for the Company's products, and the Company's plans, objectives and intentions contained in this press release that are not historical facts. Other factors that may cause the Company's actual results to differ materially from those in the forward looking statements include the Company's failure to successfully integrate an acquired business or technology, expand its product offering, to introduce new products or to commercialize new technologies or decreased demand for the Company's products due to changes in our customers needs, financial position, general economic outlook, or otherwise, as well as those set forth under the heading "Important Factors That May Affect Future Operating Results" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, as well as other risks described in the Company's public filings or factors, if any, of which the Company is not currently aware. The Company may not update these forward-looking statements, even though its situation may change in the future, unless it has obligations under the Federal securities laws to update and disclose material developments related to previously disclosed information.

For investor inquiries, please call (508) 893-8066. Press releases may be found on our web site, <http://www.harvardbioscience.com>.

HARVARD BIOSCIENCE, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data, unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
Revenues	\$13,728	\$ 9,711	\$25,692	\$18,318
Costs and Expenses:				
Cost of product sales	6,656	4,869	12,405	9,223
Research and development expenses	1,008	618	2,024	1,048
Marketing, selling, general & administrative	3,942	3,016	7,329	5,374
Total costs and expenses (1)	11,606	8,503	21,758	15,645
Income from operations (1)	2,122	1,208	3,934	2,673
Other income net	242	377	282	721
Income before income taxes (1)	2,364	1,585	4,216	3,394
Income tax expense (2)	(831)	(563)	(1,460)	(1,214)
Net income (1) (2)	\$ 1,533	\$ 1,022	\$ 2,756	\$ 2,180
Income per share (1) (2)				
Basic	\$ 0.06	\$ 0.04	\$ 0.10	\$ 0.09
Diluted	\$ 0.06	\$ 0.04	\$ 0.10	\$ 0.09
Weighted average common shares				
Basic	26,483	25,538	26,470	25,377
Diluted	26,998	25,787	27,061	25,606

(1) EXCLUDES STOCK COMPENSATION EXPENSE AND AMORTIZATION OF OTHER INTANGIBLES FOR ALL PERIODS AND EXCLUDES AMORTIZATION OF GOODWILL AND ACQUIRED IN-PROCESS RESEARCH AND DEVELOPMENT FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2001.

(2) EXCLUDES TAX BENEFIT (EXPENSE) RELATED TO ITEMS DESCRIBED IN NOTE 1 OF \$122 AND \$142 FOR THE QUARTERS ENDED JUNE 30, 2002 AND 2001, RESPECTIVELY, AND \$302 AND \$202 FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001, RESPECTIVELY.

HARVARD BIOSCIENCE, INC.

RECONCILIATION OF PRO FORMA NET INCOME TO U.S. GAAP NET INCOME

(In thousands, except per share data, unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
Pro Forma Net Income	\$ 1,533	\$ 1,022	\$ 2,756	\$ 2,180
Stock Compensation Expense	330	779	655	1,541
Amortization of Goodwill and Intangibles	307	303	612	487
In-Process Research and Development Expense	--	5,447	--	5,447
Income Tax Benefit	122	142	302	202
GAAP Net Income (loss)	\$ 1,018	\$(5,365)	\$ 1,791	\$(5,093)

HARVARD BIOSCIENCE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data, unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
Revenues	\$13,728	\$ 9,711	\$25,692	\$18,318
Costs and Expenses:				
Cost of product sales	6,656	4,869	12,405	9,223
Research and development expenses	1,008	618	2,024	1,048
Marketing, selling, general & administrative	3,942	3,016	7,329	5,374
Stock compensation expense	331	779	655	1,541
In-process research and development expense	--	5,447	--	5,447
Amortization of goodwill and other intangibles	307	303	612	487
Total costs and expenses	12,244	15,032	23,025	23,120
Income (loss) from operations	1,484	(5,321)	2,667	(4,802)
Other income net	242	377	282	721
Income (loss) before income taxes	1,726	(4,944)	2,949	(4,081)
Income tax expense	(708)	(421)	(1,158)	(1,012)
Net income (loss)	\$ 1,018	\$(5,365)	\$ 1,791	\$(5,093)
Income (loss) per share				
Basic	\$ 0.04	\$ (0.21)	\$ 0.07	\$ (0.20)
Diluted	\$ 0.04	\$ (0.21)	\$ 0.07	\$ (0.20)
Weighted average common shares				
Basic	26,483	25,538	26,470	25,377
Diluted	26,998	25,538	27,061	25,377

SELECTED CONSOLIDATED BALANCE SHEET INFORMATION

(In thousands, unaudited)

	June 30,	December 31,
	2002	2001
Assets		
Cash and cash equivalents	\$27,025	\$29,385
Receivables	9,135	7,604
Inventories	6,498	5,973
Property, plant and equipment	3,851	3,506
Goodwill and other intangibles	33,258	33,195
Other assets	3,772	2,699
Total assets	\$83,538	\$82,362
Liabilities		
Total current liabilities	\$ 9,214	\$12,156
Total liabilities	12,057	15,550
Shareholders' equity	71,481	66,812
Total liabilities and shareholders' equity	\$83,538	\$82,362

**CONTACT:**

Harvard Bioscience, Inc.

David Green

dgreen@harvardbioscience.com

or

Chane Graziano

cgraziano@harvardbioscience.com

or

Susan Luscinski

sluscinski@harvardbioscience.com

Tel: 508/893-8999

Copyright © 2002 Business Wire. All rights reserved.

**Disclaimer:**

The information contained within this and other Harvard Bioscience Web pages should be deemed accurate and current as of

the date of the most recent update, or if no update information has been provided, the date of issuance. Harvard Bioscience assumes no responsibility for any misincurrences or misstatements which occur as the result of the reading of dated material. Users are strongly encouraged to check dates of issuance and most recent update of any information contained within, or linked to, Harvard Bioscience's web site. For Harvard Bioscience's most current information please reference Harvard Bioscience public filings with the Securities and Exchange Commission located at <http://www.sec.gov>.