



HBIO Reports 36% Second Quarter Revenue Growth Before FX Effects

HOLLISTON, Mass., July 31 /PRNewswire/ -- Harvard Bioscience, Inc. (Nasdaq: HBIO) today reported financial highlights for the three and six months ended June 30, 2001.

Revenues for the second quarter of 2001 grew 36% before unfavorable foreign exchange effects. Including foreign exchange effects revenue was \$9,711,000, up 31% from \$7,390,000 in the second quarter last year. Pro forma net income for the second quarter was \$1,022,000 compared to \$521,000 for the second quarter last year, an increase of 96%, and on a diluted per share basis, \$0.04 per share compared to \$0.03 per share one year ago. Pro forma net income excludes acquired in-process research and development expense related to acquisitions made in the second quarter of 2001 as well as, for all periods, stock compensation expense and amortization of goodwill and other intangibles, net of tax effects, and common stock warrant interest expense incurred in 2000.

Revenues for the first six months of 2001 grew 33% before unfavorable foreign exchange effects. Including foreign exchange effects revenue was \$18,318,000 million, up 27% from \$14,458,000 for the same period last year. Pro forma net income was \$2,178,000 compared to \$1,250,000 for the same period in 2000, an increase of 74%. On a diluted per share basis, pro forma net income for the first six months of 2001 was \$0.09 per share compared to \$0.07 per share last year.

Chane Graziano, CEO of Harvard Bioscience commented: "Strong demand for our core products was the major driver of our growth in the second quarter. We also concluded three acquisitions in the quarter. We acquired Warner Instruments Corporation on May 1, Union Biometrica on May 31, and International Market Supply, Ltd. on June 29, 2001. Warner Instruments and International Market Supply strengthen our core business and distribution channels, respectively. In Union Biometrica, we have acquired technology that can fundamentally change the way drug development and screening is done today. These acquisitions should have significant impact on third and fourth quarter revenues."

On a GAAP basis, reported net loss for the second quarter of 2001 included a charge of \$5,447,000 for acquired in-process research and development, \$779,000 for stock compensation expense and \$303,000 for amortization of goodwill and other intangibles. The second quarter of 2000 included \$100,000 of stock compensation expense, \$128,000 for amortization of goodwill and other intangibles, and \$62.6 million of common stock warrant interest expense. The common stock warrant interest expense was eliminated in connection with Harvard Bioscience's initial public offering in December 2000. These charges resulted in reported net loss for the second quarter of 2001 of \$5,365,000, or \$0.21 per share, compared to a loss of \$62.4 million, or \$9.32 per share for the same quarter last year

On a GAAP basis, reported net loss for the first six months of 2001 was \$5,095,000 or \$0.20 per share, compared to a loss of \$66.8 million, or \$10.70 per share for the same period last year. HBIO ended the second quarter of 2001 with cash of \$31.2 million.

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 10,000 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 AP Biotech. HBIO has sales and manufacturing operations in the United States, the United Kingdom, Germany 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 on future revenues, the Company's or managements opinion of analysts' earnings estimates, the possible affect of our technology on the drug development process, the Company's intention to strengthen its market position, the Company's or management's confidence or expectations, 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, 2000, 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>.

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 6pm Eastern Time on July 31, 2001.

HARVARD BIOSCIENCE, Inc.
PRO FORMA condensed consolidated Statement of Operations
(In thousands, except per share data, unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
Revenues	\$ 9,711	\$7,390	\$18,318	\$14,458
Costs and Expenses:				
Cost of product sales	4,869	3,858	9,223	7,488
Research and development expenses	618	448	1,048	799
Marketing, general & administrative	3,016	1,892	5,376	3,578
Total costs and expenses (1)	8,503	6,198	15,647	11,865
Income from operations (1)	1,208	1,192	2,671	2,593
Other income (expenses) net (2)	377	(404)	721	(707)
Income before income taxes (1)(2)	1,585	788	3,392	1,886
Income tax expense (3)	(563)	(267)	(1,214)	(636)
Net income (1)(2)(3)	\$1,022	\$521	\$ 2,178	\$ 1,250
Income per share (1)(2)(3)(4)				
Basic	\$0.04	\$0.03	\$0.09	\$0.08
Diluted	\$0.04	\$0.03	\$0.09	\$0.07
Weighted average common shares (4)				
Basic	25,538	16,156	25,377	15,712
Diluted	25,787	18,107	25,606	17,920

(1) Excludes acquired in-process research and development, stock

compensation expense and amortization of goodwill and other intangibles.

(2) Excludes common stock warrant interest expense.

(3) Excludes tax benefit related to items described in note 1 of \$142 and

\$17 for quarters ended June 30, 2001 and 2000, respectively, and \$202 and \$37 for six months ended June 30, 2001 and 2000, respectively.

(4) Assumes conversion of all outstanding shares of convertible preferred stock and the exercise of all outstanding warrants in 2000.

(5) Assumes common stock options granted at fair value on date of grant.

HARVARD BIOSCIENCE, Inc.
Condensed Consolidated Statement of Operations
(In thousands, except per share data, unaudited)

	Three Months Ended		Six Months Ended	
	2001	June 30, 2000	2001	June 30, 2000
Revenues	\$ 9,711	\$7,390	\$18,318	\$14,458
Costs and Expenses:				
Cost of product sales	4,869	3,858	9,223	7,488
Research and development expenses	618	448	1,048	799
Marketing, general & administrative	3,016	1,892	5,376	3,578
Stock compensation expense	779	100	1,541	184
In-process research and development expense	5,447	-	5,447	-
Amortization of goodwill and other intangibles	303	128	487	260
Total costs and expenses	15,032	6,426	23,122	12,309
Income (loss) from operations	(5,321)	964	(4,804)	2,149
Other income (expenses) net	377	(404)	721	(707)
Common stock warrant interest expense	-	(62,627)	-	(67,527)
Total other income (expense), net	377	(63,031)	721	(68,234)
Loss before income taxes	(4,944)	(62,067)	(4,083)	(66,085)
Income tax expense	(421)	(250)	(1,012)	(599)
Net loss	(5,365)	(62,317)	(5,095)	(66,684)
Preferred stock dividends	-	(43)	-	(84)
Net loss available to common Stockholders	\$(5,365)	\$(62,360)	\$(5,095)	\$(66,768)
Loss per share				
Basic	\$(0.21)	\$(9.32)	\$(0.20)	\$(10.70)
Weighted average common shares Basic	25,538	6,690	25,377	6,238

Selected Consolidated Balance Sheet Information
(In thousands, unaudited)

	June 30, 2001	December 31, 2000
Assets		
Cash and cash equivalents	\$31,182	\$35,817
Receivables	5,498	4,698
Inventories	4,712	3,722
Property, plant and equipment	2,502	1,716
Goodwill and other intangibles	25,774	9,562
Other assets	3,869	3,294
Total assets	\$73,537	\$58,809
Liabilities		
Total current liabilities	\$8,075	\$6,368
Total liabilities	8,220	6,474
Shareholders' equity	65,317	52,335
Total liabilities and shareholders' equity	\$73,537	\$58,809

SOURCE Harvard Bioscience, Inc.

CONTACT: Jim Warren, CFO, jwarren@harvardbioscience.com, or David Green, President, dgreen@harvardbioscience.com, or Chane Graziano, CEO, cgraziano@harvardbioscience.com, all of Harvard Bioscience, Inc./

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>.