



Harvard Bioscience, Inc. Reports Financial Results For Fourth Quarter And Year Ended 2000

HOLLISTON, Mass., Feb. 22 /PRNewswire/ -- Harvard Bioscience, Inc. (Nasdaq: HBIO) today reported record revenues for the year and the quarter ended December 31, 2000.

Revenue for the fourth quarter of 2000 grew 18% before unfavorable foreign exchange effects. Including foreign exchange effects revenue for the fourth quarter was \$8.5 million compared to \$7.7 million for the same period in 1999. Pro forma net income for the fourth quarter increased 32% to \$1.0 million (\$0.05 per share on a diluted basis) from \$0.8 million (\$0.04 per share on a diluted basis) for the same period in 1999. Revenue for the year ended December 31, 2000 grew 22% before unfavorable foreign exchange effects. Including foreign exchange effects, revenue for 2000 was \$30.6 million compared to \$26.2 million for 1999. Pro forma net income was \$2.3 million, or \$0.13 per diluted share compared to \$2.7 million, or \$0.16 per diluted share in the year 1999. Pro forma net income excludes warrant interest income or expense, stock compensation expense and goodwill amortization.

Chane Graziano, CEO of Harvard Bioscience commented: "We made significant investments in 2000 in order to commercialize several new technologies and launch many new products. Even with these efforts, HBIO generated strong net income for the year. The record performance in both revenues and net income in our first quarter as a public company provides us with a solid foundation to build on as we go forward. The capital we raised in our December 2000 IPO provides us with the financial resources to accelerate our growth strategy."

Reported net income for the fourth quarter of 2000 was \$34.0 million (\$2.66 per share basic and \$0.00 on a diluted basis), compared to a loss of \$23.2 million (\$4.15 per share) for the same period of 1999. Reported net income for the fourth quarter of 2000 included a non-recurring, non-cash gain of \$34.0 million for common stock warrant interest income, and pre-tax charges of \$181,000 for goodwill amortization and \$1.3 million for stock compensation expense. Reported net loss for the fourth quarter of 1999 included \$22.3 million of warrant interest expense and pre-tax charges of \$2,346 for stock compensation and \$117,000 of goodwill amortization. Reported net loss for the year ended 2000 was \$49.9 million, or \$(6.25) per share compared to a loss of \$29.4 million, or \$(5.28) per share for the same period in 1999. Reported net loss for 2000 included a charge of \$36.9 million for warrant interest expense, and pre-tax charges of \$0.6 million for amortization of goodwill and \$14.7 million of stock compensation expense. Reported net loss for 1999 included warrant interest expense of \$29.7 million and pre-tax charges of \$3.3 million for stock compensation and \$368,000 for goodwill amortization.

HBIO ended the fourth quarter of 2000 with cash of \$35.8 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 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, and Germany 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 Company's or management's confidence or expectations, the Company's business strategy, the positioning of the Company for growth, the market 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 those set forth under the headings "Information Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Registration Statement on Form S-1 filed September 18, 2000, as amended (File No.333-45996), 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 fourth quarter earnings conference call by going to the Company's web site or to http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=HBIO&script=2100 The conference call will begin at 10am eastern standard time on February 23.

- Financial Charts Follow -

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2000	1999	2000	1999
Revenues	\$8,506	\$7,708	\$30,575	\$26,178
Costs and Expenses:				
Cost of sales	4,372	4,188	15,833	13,547
Research and development expenses	325	347	1,533	1,188
Marketing, general & administrative	2,274	1,826	8,366	6,595
Total costs and expenses (1)	6,971	6,361	25,732	21,330
Income from operations (1)	1,535	1,347	4,843	4,848
Other expenses net (2)	(49)	(320)	(1,188)	(785)
Income (loss) before income taxes (1) (2)	1,486	1,027	3,655	4,063
Income tax benefit (expense) (3)	(466)	(252)	(1,341)	(1,374)
Net income (loss) (1) (2) (3)	\$1,020	\$775	\$ 2,314	\$ 2,689
Income (loss) per share (1) (2) (3) (4)				
Basic	\$0.05	\$0.05	\$0.14	\$0.18
Diluted	\$0.05	\$0.04	\$0.13	\$0.16
Weighted average common shares (4)				
Basic	19,666	15,064	16,824	14,999
Diluted	19,875	17,734	18,459	17,082

NOTE (1): Excludes stock compensation expense and amortization of goodwill and other intangibles.

NOTE (2): Excludes common stock warrant interest income (expense).

NOTE (3): Excludes tax benefit (expense) of (1) and (2) of \$461 and \$764

for quarters ended December 31, 2000 and 1999, respectively, and
\$(18) and \$1,236 for years ended December 31, 2000 and 1999,

respectively.

NOTE (4): Assumes conversion of all outstanding shares of convertible

preferred stock and the exercise of all outstanding warrants.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2000	1999	2000	1999
Revenues	\$8,506	\$7,708	\$30,575	\$26,178
Costs and Expenses:				
Cost of sales	4,372	4,188	15,833	13,547
Research and development expenses	325	347	1,533	1,188
Marketing, general & administrative	2,274	1,826	8,366	6,595
Stock compensation expense	1,343	2,346	14,675	3,283
Amortization of goodwill	181	117	604	368
Total costs and expenses	8,495	8,824	41,011	24,981
Income from operations	11	(1,116)	(10,436)	1,197
Other expenses net	(49)	(319)	(1,188)	(785)
Common stock warrant interest income (expense)	34,036	(22,291)	(36,884)	(29,694)
Total other income (expense), net	33,987	(22,610)	(38,072)	(30,479)
Income (loss) before income taxes	33,998	(23,726)	(48,508)	(29,282)
Income tax benefit (expense)	(5)	512	(1,359)	(138)
Net income (loss)	33,993	(23,214)	(49,867)	(29,420)
Preferred stock dividends (13)		(41)	(136)	(157)
Net income (loss) available to common Stockholders	\$33,980	\$(23,255)	\$(50,003)	\$(29,577)
Income (loss) per share				
Basic	\$2.66	\$(4.15)	\$(6.25)	\$(5.28)
Diluted	\$0.00	\$(4.15)	\$(6.25)	\$(5.28)
Weighted average common shares				
Basic	12,773	5,599	8,005	5,599
Diluted	20,126	5,599	8,005	5,599

Selected Consolidated Balance Sheet Information
(In thousands, unaudited)

December 31, December 31,

	2000	1999
Assets		
Cash and cash equivalents	\$35,817	\$2,396
Receivables	4,698	4,192
Inventories	3,722	2,850
Property, plant and equipment	1,716	1,560
Goodwill	9,562	6,583
Other assets	3,189	3,029
Total assets	\$58,704	\$20,610
Liabilities		
Total current liabilities	\$6,346	\$7,505
Total liabilities	6,347	12,627
Common stock warrants and preferred stock	-	33,694
Shareholders' equity (deficit)	52,357	(25,711)
Total liabilities and shareholders' equity (deficit)	\$58,704	\$20,610

SOURCE Harvard Bioscience, Inc.

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