



HBIO Reports 40% Fourth Quarter Revenue Growth

HOLLISTON, Mass., Feb 21, 2002 (BW HealthWire) -- Harvard Bioscience, Inc. (Nasdaq: HBIO) today reported financial highlights for its fourth quarter and year ended December 31, 2001.

Revenues for the fourth quarter of 2001 were \$11,907,000, an increase of 40% from \$8,506,000 for the fourth quarter last year. The effect of foreign exchange on revenues was negligible for the fourth quarter. Pro forma earnings per diluted share for the fourth quarter were \$0.04 compared to \$0.05 for the fourth quarter last year. Pro forma 2001 fourth quarter earnings per share excludes stock compensation expense, amortization of goodwill and other intangibles, and severance and related costs, net of tax effects, and, for 2000, stock compensation expense, amortization of goodwill and other intangibles and common stock warrant interest income.

Revenues for the full year of 2001 were \$40,868,000, an increase of 34% from \$30,575,000 for 2000. Excluding the unfavorable effect from foreign exchange, revenues would have been \$41,921,000, an increase of 37% over 2000. Pro forma earnings per diluted share were \$0.17 compared to \$0.13 for the same period in 2000, an increase of 31%. Pro forma 2001 earnings per share excludes stock compensation expense, amortization of goodwill and other intangibles, acquired in process research and development expense and severance and related costs, net of tax effects, and, for 2000, stock compensation expense, amortization of goodwill and other intangibles, and common stock warrant interest expense.

"Despite a weakened economy, 2001 was an excellent year Harvard Bioscience. Demand for our core products remained strong and growth in revenues in the product lines we acquired were the major contributors to our growth as we leveraged our distribution channels. We also continued our trend of increasing revenues each quarter, now for seven consecutive quarters, and for year on year quarter growth for fourteen consecutive quarters," commented Chane Graziano, CEO of Harvard Bioscience. He added, "Our investments to capitalize on the breakthrough COPAS™ technology continued in the fourth quarter, which reduced pro forma earnings by approximately 3 cents for the year on both a basic and diluted share basis. We remain confident that this technology will become a significant contributor to our future growth."

Reported net loss for the fourth quarter of 2001 was \$436,000, or \$0.02 per basic and diluted share, compared to \$34.0 million profit, or \$1.69 per diluted share for the same quarter last year. The fourth quarter of 2001 included a charge of \$275,000, net of tax for severance and related costs for Union Biometrica, Inc., which Harvard Bioscience acquired in the second quarter. Excluding this charge, reported net loss for the fourth quarter of 2001 would have been \$161,000, or \$0.01 per basic share. The fourth quarter of 2000 included \$34.0 million of common stock warrant interest income reversing prior periods common stock warrant interest expense as a result of the initial public offering in December 2000.

Reported net loss for the full year of 2001 was \$5,210,000 or \$0.20 per diluted share, compared to a loss of \$50 million, or \$6.25 per diluted share for 2000. Harvard Bioscience ended the fourth quarter of 2001 with cash and cash equivalents of \$29.4 million.

For 2002, we expect revenues to be in the \$55-60M range, an increase of 35-47% over 2001 and pro forma eps to be \$0.25 - 0.30, a 47-76% increase over 2001. This outlook for 2002 is based on the continued strong growth of our core business, the full year effect of the acquisitions we made during 2001, and some impact from the investments in COPAS™ technology.

For the first quarter of 2002, we expect revenues to be in the \$12-12.5M range and pro forma eps to be in the \$0.04 -0.05 range, a range that includes a \$.01 pro forma eps negative impact from continuing investments in COPAS™ technology.

As previously announced, investors can listen to a live Webcast of the fourth 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 2 pm Eastern Time on February 22, 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 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 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 forward-looking statements within the meaning of Section 27A of the Securities Act of statements made in this press release that are not statements of historical fact are 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, 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>.

HARVARD BIOSCIENCE, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(In thousands, except per share data, unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Revenues	\$ 11,907	\$ 8,506	\$40,868	\$ 30,575
Costs and Expenses:				
Cost of product sales	5,738	4,371	20,180	15,833
Research and development expenses	1,055	326	3,179	1,533
Marketing, selling, general & administrative	3,365	2,274	11,841	8,367
Total costs and expenses (1)	10,158	6,971	35,200	25,733
Income from operations (1)	1,749	1,535	5,668	4,842
Other income (expense) net (2)	62	(49)	1,242	(1,188)
Income before income taxes (1) (2)	1,811	1,486	6,910	3,654
Income tax expense (3)	739	495	2,521	1,262
Net income (1) (2) (3)	\$ 1,072	\$ 991	\$ 4,389	\$ 2,392
Income per share (1) (2) (3) (4)				
Basic	\$ 0.04	\$ 0.05	\$ 0.17	\$ 0.14
Diluted	\$ 0.04	\$ 0.05	\$ 0.17	\$ 0.13
Weighted average common shares (4)				
Basic	26,225	19,666	25,785	16,824
Diluted	26,913	19,875	26,382	18,459

(1) Excludes severance and related costs of \$460 for the three months ended December 31, 2001; excludes acquired in-process research and development for the twelve months ended December 31, 2001; and stock compensation expense, amortization of goodwill and other intangibles for all periods

(2) Excludes common stock warrant interest (expense) income for the three months and twelve months ended December 31, 2000.

(3) Excludes tax benefit (expense) related to items described in note 1 of \$124 and \$490 for quarters ended December 31, 2001 and 2000, respectively, and \$731 and \$(97) for twelve months ended December 31, 2001 and 2000, respectively.

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

January 1,2000 for the three and twelve months ended December 31, 2000.

HARVARD BIOSCIENCE, INC.

RECONCILIATION OF PRO FORMA NET INCOME TO U.S. GAAP NET INCOME/(LOSS)

(In thousands, except per share data, unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Pro Forma Net Income	\$1,072	\$991	\$4,389	\$2,392
Common Stock Warrant				
Interest (Expense)/Income	--	34,036	--	(36,885)
Stock Compensation Expense	(480)	(1,343)	(2,679)	(14,675)
Acquired In Process				
Research & Development	--	--	(5,447)	--
Severance and Related Costs	(460)	--	(460)	--
Amortization of Goodwill				
and Intangibles	(692)	(181)	(1,744)	(604)
Income Tax (Expense)/Income	124	490	731	(97)
GAAP Net Income/(Loss)	\$(436)	\$33,993	\$(5,210)	\$(49,869)

HARVARD BIOSCIENCE, Inc.

Condensed Consolidated Statement of Operations

(In thousands, except per share data, unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Revenues	\$ 11,907	\$ 8,506	\$ 40,868	\$ 30,575
Costs and Expenses:				
Cost of product sales	5,738	4,371	20,180	15,833
Research and development expenses	1,055	326	3,179	1,533
Marketing, selling, general & administrative	3,825	2,274	12,301	8,367
Stock compensation expense	480	1,343	2,679	14,675
In-process research and development expense	--	--	5,447	--
Amortization of goodwill and other intangibles	692	181	1,744	604
Total costs and expenses	11,790	8,495	45,530	41,012
Income (Loss) from operations	117	11	(4,662)	(10,437)
Other income (expense) net	62	(49)	1,242	(1,188)
Common stock warrant interest (expense) income	--	34,036	--	(36,885)
Total other income (expense), net	62	33,987	1,242	(38,073)
Income (Loss) before income taxes	179	33,998	(3,420)	(48,510)
Income tax expense	615	5	1,790	1,359
Net income/(loss)	(436)	33,993	(5,210)	(49,869)
Preferred stock dividends	--	(13)	--	(136)
Net income (loss) available to common Stockholders	\$ (436)	\$ 33,980	\$ (5,210)	\$ (50,005)
Income/loss per share				
Basic	\$ (0.02)	\$ 2.66	\$ (0.20)	\$ (6.25)
Diluted	\$ (0.02)	\$ 1.69	\$ (0.20)	\$ (6.25)
Weighted average				

common shares				
Basic	26,225	12,773	25,785	8,005
Diluted	26,225	20,126	25,785	8,005

Selected Consolidated Balance Sheet Information

(In thousands, unaudited)

	December 31, 2001	December 31, 2000
Assets		
Cash and cash equivalents	\$ 29,385	\$ 35,817
Receivables	7,588	4,698
Inventories	5,973	3,722
Property, plant and equipment	3,506	1,716
Goodwill and other intangibles	33,195	9,562
Other assets	3,776	3,294
Total assets	\$ 83,423	\$ 58,809
Liabilities		
Total current liabilities	\$ 12,599	\$ 6,368
Total liabilities	16,611	6,474
Stockholders' equity	66,812	52,335
Total liabilities and stockholders' equity	\$ 83,423	\$ 58,809

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