

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2000, or

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

For the transition period from _____ to _____

Commission file number 0-17272

TECHNE CORPORATION
(Exact name of registrant as specified in its charter)

MINNESOTA
(State or other jurisdiction
of incorporation or organization)

41-1427402
(I.R.S. Employer
Identification No.)

614 MCKINLEY PLACE N.E.
MINNEAPOLIS, MN 55413
(Address of principal
executive offices) (Zip Code)

(612) 379-8854
(Registrant's telephone
number, including area code)

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), and (2) has been subject to such
filing requirements for the past 90 days. Yes (X) No ()

At November 2, 2000, 20,728,571 shares of the Company's Common Stock (par
value \$.01) were outstanding.

ITEM 1 - FINANCIAL STATEMENTS

TECHNE CORPORATION & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<TABLE>
<CAPTION>

	9/30/00	6/30/00
	-----	-----
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	\$ 21,257,529	\$ 17,356,108
Short-term investments	49,494,945	42,468,183
Accounts receivable (net)	15,545,123	15,600,868
Inventories	4,538,498	4,651,615
Income taxes receivable	-	3,290,314
Deferred income taxes	2,472,000	2,440,000
Other current assets	621,012	494,117
	-----	-----
Total current assets	93,929,107	86,301,205

Deferred income taxes	3,997,000	3,938,000
Property and equipment (net)	46,480,227	46,266,177
Intangible assets (net)	34,113,186	36,335,500
Other assets	7,713,843	7,568,699
	-----	-----
TOTAL ASSETS	\$186,233,363	\$180,409,581
	=====	=====

LIABILITIES & EQUITY

Trade accounts payable	\$ 2,790,689	\$ 2,630,164
Salary and related accruals	2,011,059	2,998,696
Other payables	5,970,573	6,107,979
Income taxes payable	271,636	-
Current portion of long-term debt	839,150	824,315
	-----	-----
Total current liabilities	11,883,107	12,561,154
Royalty payable	6,807,000	7,768,000
Long-term debt	18,722,394	18,935,049

Common stock, par value \$.01 per share; authorized 50,000,000; issued and outstanding 20,725,671 and 20,690,999, respectively

	207,257	206,910
Additional paid-in capital	53,582,651	53,064,354
Retained earnings	95,830,726	88,336,230
Accumulated foreign currency translation adjustments	(799,772)	(462,116)
	-----	-----

Total stockholders' equity 148,820,862 141,145,378

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$186,233,363 \$180,409,581

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</TABLE>

See notes to unaudited Consolidated Financial Statements.

TECHNE CORPORATION & SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)

<TABLE>
<CAPTION>

	QUARTER ENDED	
	9/30/00	9/30/99
	-----	-----
	<C>	<C>
Sales	\$27,721,563	\$24,621,053
Cost of sales	6,804,189	6,996,770
	-----	-----
Gross margin	20,917,374	17,624,283
Operating expenses (income):		
Selling, general and administrative	4,474,526	4,405,198
Research and development	3,268,709	3,190,895
Amortization expense	2,222,314	2,307,313
Interest expense	353,625	367,098
Interest income	(684,850)	(236,460)
	-----	-----
	9,634,324	10,034,044
	-----	-----
Earnings before income taxes	11,283,050	7,590,239
Income taxes	3,780,000	2,742,000
	-----	-----
Net earnings	\$ 7,503,050	\$ 4,848,239
	=====	=====
Basic earnings per share	\$ 0.36	\$ 0.24

Diluted earnings per share \$ 0.35 \$ 0.23

Weighted average common
shares outstanding:

Basic	20,707,458	20,150,702
Diluted	21,379,990	20,823,718

Post-stock split (Note D):

Pro forma basic earnings per share	\$ 0.18	\$ 0.12
Pro forma diluted earnings per share	\$ 0.18	\$ 0.12

</TABLE>

See notes to unaudited Consolidated Financial Statements.

TECHNE CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>

<CAPTION>

QUARTER ENDED

-----	-----
9/30/00	9/30/99
-----	-----

<S>

<C>

<C>

CASH FLOWS FROM OPERATING ACTIVITIES:

Net earnings	\$ 7,503,050	\$ 4,848,239
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Adjustments to reconcile net earnings to
net cash provided by operating
activities:

Depreciation and amortization	3,120,650	3,063,986
Deferred income taxes	(109,000)	(312,000)
Other	189,856	613,781

Change in current assets and current
liabilities:

(Increase) decrease in:

Accounts receivable	(83,343)	52,830
Inventories	89,284	730,588
Other current assets	(130,199)	(128,535)

Increase (decrease) in:

Trade account/other payables	(893,491)	(16,940)
Salary and related accruals	(979,281)	(564,169)
Income taxes, net	3,643,775	1,586,084

NET CASH PROVIDED BY OPERATING ACTIVITIES	12,351,301	9,873,864
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CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of short-term investments	(15,130,294)	(3,360,000)
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Proceeds from sale of short-term

Investments	8,103,532	1,648,000
-------------	-----------	-----------

Additions to property and equipment	(1,126,942)	(24,353,398)
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Real estate deposit	-	(2,000,000)
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Increase in other long term assets	(335,000)	(1,450,000)
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NET CASH USED IN INVESTING ACTIVITIES	(8,488,704)	(29,515,398)
---------------------------------------	-------------	--------------

CASH FLOWS FROM FINANCING ACTIVITIES:

Issuance of common stock	459,090	219,426
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Proceeds from issuance of long-term debt	-	20,400,000
--	---	------------

Payments on long-term debt	(197,820)	(60,394)
----------------------------	-----------	----------

NET CASH PROVIDED BY FINANCING ACTIVITIES	261,270	20,559,032
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EFFECT OF EXCHANGE RATE CHANGES ON CASH	(222,446)	413,714
---	-----------	---------

NET CHANGE IN CASH AND EQUIVALENTS	3,901,421	1,331,212
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CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	17,356,108	12,769,468
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CASH AND EQUIVALENTS AT END OF PERIOD	\$ 21,257,529	\$ 14,100,680
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</TABLE>

See notes to unaudited Consolidated Financial Statements.

TECHNE CORPORATION & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

A. BASIS OF PRESENTATION:

The unaudited Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles and with instructions to Form 10-Q and Article 10 of Regulation S-X. The accompanying unaudited Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary to a fair presentation of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

A summary of significant accounting policies followed by the Company is detailed in the Annual Report to Shareholders for Fiscal 2000. The Company follows these policies in preparation of the interim Financial Statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that the Consolidated Financial Statements be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto for the fiscal year ended June 30, 2000 included in the Company's Annual Report to Shareholders for Fiscal 2000.

Certain Consolidated Balance Sheet captions appearing in this interim report are as follows:

<TABLE>

<CAPTION>

	9/30/00	6/30/00
	-----	-----
<S>	<C>	<C>
ACCOUNTS RECEIVABLE		
Accounts receivable	\$15,704,123	\$15,762,868
Less reserve for bad debts	159,000	162,000
	-----	-----
NET ACCOUNTS RECEIVABLE	\$15,545,123	\$15,600,868
	=====	=====
INVENTORIES		
Raw materials	\$ 2,117,863	\$ 2,288,719
Supplies	94,272	124,732
Finished goods	2,326,363	2,238,164
	-----	-----
TOTAL INVENTORIES	\$ 4,538,498	\$ 4,651,615
	=====	=====
FIXED ASSETS		
Land	\$ 871,000	\$ 871,000
Buildings and improvements	44,472,362	43,965,312
Laboratory equipment	14,634,841	14,114,039
Office equipment	3,584,671	3,535,164
Leasehold improvements	147,931	180,770
	-----	-----
	63,710,805	62,666,285
Less accumulated depreciation and amortization	17,230,578	16,400,108
	-----	-----
NET FIXED ASSETS	\$46,480,227	\$46,266,177
	=====	=====
INTANGIBLE ASSETS		
Customer list	\$18,010,000	\$18,010,000
Technology licensing agreements	500,000	500,000
Goodwill	39,075,089	39,075,089
	-----	-----
	57,585,089	57,585,089
Less accumulated amortization	23,471,903	21,249,589
	-----	-----
NET INTANGIBLE ASSETS	\$34,113,186	\$36,335,500

</TABLE>

Effective July 1, 2000, the Company adopted Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," which provides guidance on accounting for derivatives and hedge transactions. The adoption of this pronouncement did not impact operating results or financial position.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements," which provides guidance in applying generally accepted accounting principles to revenue recognition in financial statements. The application of this SAB did not have a material impact on the Company's reported operating results or financial position.

B. EARNINGS PER SHARE:

Shares used in the earnings per share computations are as follows:

<TABLE>

<CAPTION>

	QUARTER ENDED	
	9/30/00	9/30/99
<S>	<C>	<C>
Weighted average common shares outstanding-basic	20,707,458	20,150,702
Dilutive effect of stock options and Warrants	672,532	673,016
Average common shares outstanding-diluted	21,379,990	20,823,718

</TABLE>

C. SEGMENT INFORMATION:

Following is financial information relating to the Company's operating segments:

<TABLE>

<CAPTION>

	QUARTER ENDED	
	9/30/00	9/30/99
<S>	<C>	<C>
External sales		
Hematology	\$ 3,508,217	\$ 3,163,688
Biotechnology	17,920,915	15,074,320
R&D Systems Europe	6,292,431	6,383,045
Total external sales	\$27,721,563	\$24,621,053
Intersegment sales		
Hematology	\$ --	\$ --
Biotechnology	3,400,657	3,186,429
R&D Systems Europe	21,252	61,270
Total intersegment sales	\$ 3,421,909	\$ 3,247,699
Income before taxes		
Hematology	\$ 1,085,158	\$ 929,974
Biotechnology	9,573,285	6,572,996
R&D Systems Europe	1,132,812	1,046,301
Corporate and other	(508,205)	(959,032)
Total income before taxes	\$11,283,050	\$ 7,590,239

</TABLE>

D. STOCK SPLIT:

On November 9, 2000, the Company declared a two-for-one stock split to be effected in the form of a 100% stock dividend to shareholders of record on November 24, 2000. The payment date for the stock split is December 1, 2000. The shareholders also approved an amendment to the Company's Articles of Incorporation to increase authorized common stock from 50,000,000 to 100,000,000 shares.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations Quarter Ended September 30, 2000
vs. Quarter Ended September 30, 1999

Techne Corporation (Techne) has two operating subsidiaries: Research and Diagnostic Systems, Inc. (R&D Systems) located in Minneapolis, Minnesota and R&D Systems Europe Ltd. (R&D Europe) located in Abingdon, England. R&D Systems has two divisions: Biotechnology and Hematology. The Biotechnology Division's principal products are purified cytokines (proteins), antibodies and assay kits, which are sold primarily to biomedical researchers at pharmaceutical companies and academic and government research laboratories. The Hematology Division's principal products are whole blood hematology controls and calibrators which are sold to hospital and clinical laboratories to check the performance of their hematology instruments to assure the accuracy of hematology test results. R&D Europe sells R&D Systems' biotechnology products in Europe, both directly and through a sales subsidiary in Germany. The Company has a foreign sales corporation, Techne Export Inc.

The Company has an equity interest in ChemoCentryx, Inc. (CCX), a technology and drug development company working in the area of chemokines. Chemokines are cytokines which regulate the trafficking patterns of leukocytes, the effector cells of the human immune system. In conjunction with the equity investment and joint research efforts, Techne obtains exclusive worldwide research and diagnostic marketing rights to chemokine proteins, antibodies and receptors discovered or developed by CCX or R&D Systems. The Company accounts for this investment under the equity method of accounting and recognizes 100% of the losses of CCX due to the limited amount of cash consideration provided by the holders of the common shares of CCX. The Company's investment in CCX was \$3,448,980 and \$3,553,516 at September 30, 2000 and June 30, 2000, respectively.

Net Sales

Net sales for the quarter ended September 30, 2000 were \$27,721,563, an increase of \$3,100,510 (13%) from the quarter ended September 30, 1999. R&D Systems' Biotechnology Division sales increased \$2,846,595 (19%) and R&D Systems' Hematology Division sales increased \$344,529 (11%) for the quarter ended September 30, 2000. R&D Europe sales decreased \$90,614 (1%) for the quarter. The increase in Biotechnology Division sales was due largely to increases in protein and antibody sales. The increase in Hematology sales was due to increased OEM and retail sales. R&D Europe's decline in revenue was entirely a result of changes in foreign currency exchange rates.

Gross Margins

Gross margins, as a percentage of sales, increased from the prior year. Margins for the first quarter of fiscal 2001 were 75.5% compared to 71.6% for the same quarter in fiscal 2000. Biotechnology Division margins increased from 73.2% to 79.1% for the quarter ended September 30, 2000. Margins in the first quarter of last year were affected by the higher cost of inventory acquired from Genzyme Corporation. R&D Europe gross margins decreased from 44.7% to 39.3% for the quarter ended September 30, 2000 as a result of changes in exchange rates. Hematology Division gross margins decreased slightly for the quarter from 45.6% to 44.4% as a result of changes in product mix.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$69,328 (2%) from the first quarter of fiscal 2000. This was mainly the result of increased wages and benefits offset by exchange rate changes.

Research and Development Expenses

Research and development expenses increased \$77,814 (2%) for the quarter ended September 30, 2000. Research and development expenses by R&D Systems increased \$458,000 (17%) for the quarter ended September 30, 2000. The R&D Systems research expense increase relates to products currently under development, many of which will be released in fiscal 2001. Products currently under development include both biotechnology and hematology products. The increase in R&D Systems research expense for the quarter was offset by a reduction in R&D Europe research expense as a result of the cancellation of a research agreement with British Biotechnology Group plc. The increase in R&D Systems research expense was also offset by a reduction in ChemoCentryx research expenses due to grant money received by CCX beginning in the second quarter of fiscal 2000.

Net Earnings

Earnings before income taxes increased \$3,692,811 from \$7,590,239 in the first quarter of fiscal 2000 to \$11,283,050 in the first quarter of fiscal 2001. The increase in earnings before income taxes was due primarily to the increase in sales and improved gross margins discussed previously.

Income taxes for the quarter ended September 30, 2000 were provided at a rate of approximately 34% of consolidated pretax earnings compared to 36% for the prior year. The decrease in tax rate from the prior year is due to the results of CCX for which no taxes are provided. U.S. federal taxes have been reduced by the credit for research and development expenditures and the benefit of the foreign sales corporation. Foreign income taxes have been provided at rates which approximate the tax rates in the United Kingdom and Germany.

Liquidity and Capital Resources

At September 30, 2000, cash and cash equivalents and short-term investments were \$70,752,474 compared to \$59,824,291 at June 30, 2000. The Company believes it can meet its future cash, working capital and capital addition requirements through currently available funds, cash generated from operations and maturities of short-term investments. The Company has an unsecured line of credit of \$750,000. The interest rate on the line of credit is at prime. There were no borrowings on the line in the prior or current fiscal years.

Cash Flows From Operating Activities

The Company generated cash of \$12,351,301 from operating activities in the first three months of fiscal 2001 compared to \$9,873,864 for the first three months of fiscal 2000. The increase was mainly the result of increased net earnings.

Cash Flows From Investing Activities

During the three months ended September 30, 2000 and the three months ended September 30, 1999, short-term investments increased by \$7,026,762 and \$1,712,000. The Company's investment policy is to place excess cash in short-term tax-exempt bonds. The objective of this policy is to obtain the highest possible return with the lowest risk, while keeping the funds accessible.

Capital expenditures for fixed assets for the first three months of fiscal 2001 and 2000 were \$1,126,942 and \$24,353,398 (including \$21.9 million for the purchase of R&D Systems' Minneapolis facility), respectively. Included in the fiscal 2001 and 2000 additions were \$507,000 and \$1,900,000 for building improvements related to remodeling of facilities by R&D Systems. The remaining capital additions in fiscal 2001 and 2000 were for laboratory and computer equipment. Total expenditures for capital additions and building improvements

planned for the remainder of fiscal 2001 are expected to cost approximately \$5 million and are expected to be financed through currently available funds and cash generated from operating activities.

During the first three months of fiscal 2000, the Company invested an additional \$1 million in ChemoCentryx, Inc. The Company also paid \$2 million and issued warrants to purchase 60,000 shares of common stock as a deposit on an option to purchase property adjacent to its Minneapolis facility.

Cash Flows From Financing Activities

Cash of \$459,090 and \$219,426 was received during the three months ended September 30, 2000 and 1999, respectively, for the exercise of options for 34,284 and 24,770 shares of common stock. During the first three months of fiscal 2001 and 2000 options for 500 and 10,792 shares of common stock were exercised by the surrender of 112 and 3,475 shares of the Company's common stock with fair market values of \$8,554 and \$112,271, respectively.

The Board of Directors has authorized the Company, subject to market conditions and share price, to purchase and retire up to \$10 million of its common stock. From the start of the repurchase program through May 8, 2000, 650,600 shares have been purchased at a market value of \$8,754,114.

The Company has never paid cash dividends and has no plans to do so in fiscal 2001.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At September 30, 2000, the Company had an investment portfolio of fixed income securities, excluding those classified as cash and cash equivalents, of \$49,494,945. These securities, like all fixed income instruments, are subject to interest rate risk and will decline in value if market interest rates increase. However, the Company has the ability to hold its fixed income investments until maturity and therefore the Company does not expect any such increase to have an adverse impact on income or cash flows.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency rate changes. The Company does not enter into foreign exchange forward contracts to reduce its exposure to foreign currency rate changes on intercompany foreign currency denominated balance sheet positions.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

On September 19, 2000 the Company brought a declaratory judgment action against Amgen, Inc. in the United States District Court for the District of Minnesota. Amgen had presented to the Company for payment invoices in the amount of \$31.9 million for materials provided to the Company over past years, allegedly pursuant to a contract under which no accounting or invoices were rendered for nine years. The Company seeks to have the Court declare that no amount is owed and seeks compensation from Amgen for breach of contract and unfair business practices in violation of applicable statutes. Subsequent to the filing of the Company's action, Amgen acknowledged error in its invoicing, reduced the amount the amount of its invoices to \$28.0 million and filed a counterclaim for such amount. The Company believes that it owes no material amount to Amgen and that the ultimate resolution of the matter will not have a material effect on the financial condition or operations of the Company.

ITEM 2 - CHANGES IN SECURITIES

None

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 - SUBMISSION OF MATTERS TO VOTE OF SHAREHOLDERS

(a) The Annual Meeting of the Registrant's shareholders was held on Thursday, November 9, 2000.

(b) A proposal to set the number of directors at eight was adopted by a vote of 16,465,605 in favor with 29,029 shares against, 16,524 shares abstaining and no shares represented by broker nonvotes.

(c) Proxies for the Annual Meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934. There was no solicitation in opposition to management's nominees as listed in the proxy statement, and all such nominees were elected, as follows:

Nominee	For	Withheld
Thomas E. Oland	16,342,997	168,161
Roger C. Lucas	16,332,242	178,916
Howard V. O'Connell	16,336,648	174,510
G. Arthur Herbert	16,335,667	175,491
Randolph Steer	15,647,138	864,020
Lowell E. Sears	16,342,767	168,391
Christopher S. Henney	16,341,602	169,556
Timothy M. Heaney	16,342,947	168,211

(d) A proposal to amend the Company's Articles of Incorporation to increase the authorized common stock from 50,000,000 to 100,000,000 shares was adopted by a vote of 15,774,917 in favor with 719,058 shares against, 17,183 shares abstaining and no shares represented by broker nonvotes.

(e) A proposal to increase the number of shares of the Company's common stock reserved for issuance under the Company's 1997 Incentive Stock Option Plan from 600,000 to 1,600,000 and under its 1998 Nonqualified Stock Option Plan from 300,000 to 800,000 was adopted by a vote of 10,966,649 in favor with 1,794,630 shares against, 39,974 shares abstaining and 3,709,905 shares represented by broker nonvotes.

ITEM 5 - OTHER INFORMATION

Forward Looking Information and Cautionary Statements: Statements in this filing, and elsewhere, which look forward in time involve risks and uncertainties which may affect the actual results of operations. The following important factors, among others, have affected and, in the future, could affect the Company's actual results: the introduction and acceptance of new biotechnology and hematology products, the levels and particular directions of research into cytokines by the Company's customers, the impact of the growing number of producers of cytokine research products and related price competition, the retention of hematology OEM and proficiency survey business, the impact of changes in foreign currency exchange rates, the outcome of litigation involving the Company and the costs and results of research and product development efforts of the Company and of companies in which the Company has invested or with which it has formed strategic relationships.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

A. EXHIBITS

See exhibit index immediately following signature page.

B. REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended September 30, 2000.

SIGNATURE

Pursuant to the requirements 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.

TECHNE CORPORATION
(Company)

Date: November 14, 2000 Thomas E. Oland

President, Chief Executive and
Financial Officer

EXHIBIT INDEX
TO
FORM 10-Q

TECHNE CORPORATION

Exhibit #	Description
-----	-----
3.1	Restated Articles of Incorporation
27	Financial Data Schedule

RESTATED ARTICLES OF INCORPORATION OF TECHNE CORPORATION

ARTICLE 1 - NAME

1.1) The name of the corporation shall be Techne Corporation.

ARTICLE 2 - REGISTERED OFFICE

2.1) The registered office of the corporation is located at 614 McKinley Place N.E., Minneapolis, Minnesota 55413.

ARTICLE 3 - CAPITAL STOCK

3.1) Authorized Shares; Establishment of Classes and Series. The aggregate number of shares that the corporation has the authority to issue shall be 105,000,000 shares, which shall have a par value of \$.01 per share solely for the purpose of a statute or regulation imposing a tax or fee based upon the capitalization of the corporation, and which shall consist of 5,000,000 undesignated shares and 100,000,000 common shares. The Board of Directors of the corporation is authorized to establish from the undesignated shares, by resolution adopted and filed in the manner provided by law, one or more classes or series of shares, to designate each such class or series, which designation may include but is not limited to the designation or any class or series as additional common shares, and to fix the relative rights and preferences of each such class or series.

3.2) Issuance of Shares. The Board of Directors of the corporation is authorized from time to time to accept subscriptions for, issue, sell and deliver shares of any class or series of the corporation to such persons, at such times and upon such terms and conditions as the Board shall determine valuing all nonmonetary consideration and establishing a price in money or other consideration, or a minimum price, or a general formula or method by which the price will be determined.

3.3) Issuance of Rights to Purchase Shares. The Board of Directors is further authorized from time to time to grant issue rights to subscribe for, purchase, exchange securities for, or convert securities into, shares of the corporation or any class or series, and to fix the terms, provisions and conditions of such rights, including the exchange or conversion basis or the price at which such shares may be purchased or subscribed for.

3.4) Issuance of Shares to Holders of Another Class or Series. The Board is further authorized to issue shares of one class or series to holders of that class or series or to holders of another class or series to effectuate share dividends or splits.

ARTICLE 4 - RIGHTS OF SHAREHOLDERS

4.1) Preemptive Rights. No shares of any class or series of the corporation shall entitle the holders to any pre-emptive rights to subscribe for or purchase additional shares of that class or series or to holders of another class or series to effectuate share dividends or splits.

4.2) No Cumulative Voting Rights. There shall be no cumulative voting by the shareholders of the corporation.

ARTICLE 5 - MERGER, EXCHANGE, SALE OF ASSETS AND DISSOLUTION

5.1) Where approval of shareholders is required by law, the affirmative vote of the holders or at least a majority of the voting power of all shares entitled to vote shall be required to authorize the corporation (i) to merge into or with one or more other corporations, (ii) to exchange its shares for shares of one or more other corporations, (iii) to sell, lease, transfer or otherwise dispose of all or substantially all of its property and assets, including its good will, or (iv) to commence voluntary dissolution.

ARTICLE 6 - AMENDMENT OF ARTICLES OF INCORPORATION

6.1) Any provision contained in these Articles of Incorporation may be amended, altered, changed or repealed by the affirmative vote of the holders or at least a majority of the voting power of the shares present and entitled to vote at a duly held meeting or such greater percentage as may be otherwise prescribed by the laws of the State of Minnesota.

ARTICLE 7 - LIMITATION OF DIRECTOR LIABILITY

7.1) To the fullest extent permitted by the Minnesota Business Corporation Act as the same exists or may hereafter be amended, a director of this corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as director.

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	JUN-30-2001
<PERIOD-END>	SEP-30-2000
<CASH>	21,257,529
<SECURITIES>	49,494,945
<RECEIVABLES>	15,704,123
<ALLOWANCES>	159,000
<INVENTORY>	4,538,498
<CURRENT-ASSETS>	93,929,107
<PP&E>	63,710,805
<DEPRECIATION>	17,230,578
<TOTAL-ASSETS>	186,233,363
<CURRENT-LIABILITIES>	11,883,107
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