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, 2001, 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	41-1427402
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
614 MCKINLEY PLACE N.E. MINNEAPOLIS, MN 55413	(612) 379-8854
(Address of principal executive offices) (Zip Code)	(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 5, 2001, 41,499,586 shares of the Company's Common Stock (par value $.01) were outstanding.

ITEM 1 - FINANCIAL STATEMENTS

TECHNE CORPORATION & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	9/30/01	6/30/01
ASSETS		
Cash and cash equivalents	$ 21,482,206	$ 21,267,791
Short-term available-for-sale investments	79,835,678	75,804,077
Trade accounts receivable (net)	16,409,604	15,894,048
Interest receivable	2,841,385	2,428,240
Inventories	5,889,265	5,437,594
Deferred income taxes	2,818,000	2,720,000
Prepaid expenses	785,190	639,759
Total current assets	130,061,328	124,191,509
Property and equipment (net)	50,531,264	49,193,972
Intangible assets (net)	25,308,934	27,446,246
Deferred income taxes	4,306,000	4,128,000
Other long-term assets	13,325,582	10,565,386
	$223,533,108	$215,525,113

LIABILITIES & STOCKHOLDERS' EQUITY

Trade accounts payable	$ 2,227,888	$ 3,477,072
Salaries, wages and related accounts payable	2,021,905	2,302,553
Other accounts payable and accrued expenses	6,040,573	6,155,189
Income taxes payable	5,341,132	3,071,982
Current portion of long-term debt	900,682	884,760
Total current liabilities	16,532,180	15,891,556
Royalty payable	2,942,250	3,923,000
Long-term debt, less current portion	17,821,712	18,050,289
Commitments and contingencies		
Common stock, par value $.01 per share; authorized 100,000,000; issued and outstanding 41,423,688 and 41,432,390, respectively	414,237	414,324
Additional paid-in capital	57,425,865	57,382,636
Retained earnings	129,121,555	121,209,686
Accumulated other comprehensive loss	(724,691)	(1,346,378)
Total stockholders' equity	186,236,966	177,660,268
	$223,533,108	$215,525,113

See notes to consolidated financial statements (unaudited).

TECHNE CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	QUARTER ENDED	
	9/30/01	9/30/00
Net sales	$ 29,842,666	$ 27,721,563
Cost of sales	7,547,942	6,804,189
Gross margin	22,294,724	20,917,374
Operating expenses:		
Selling, general and administrative	4,535,917	4,474,526
Research and development	3,989,734	3,268,709
Amortization of intangible assets	2,137,312	2,222,314
Interest expense	338,705	353,625
Interest income	(962,725)	(684,850)
	10,038,943	9,634,324
Earnings before income taxes	12,255,781	11,283,050
Income taxes	3,831,000	3,780,000
Net earnings	$ 8,424,781	$ 7,503,050
Earnings per share:		
Basic	$ 0.20	$ 0.18
Diluted	$ 0.20	$ 0.18
Weighted average common shares outstanding:		
Basic	41,435,379	41,414,916
Diluted	42,531,388	42,759,980

See notes to consolidated financial statements (unaudited).

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

	QUARTER ENDED	
	9/30/01	9/30/00
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 8,424,781	$ 7,503,050
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	3,128,020	3,120,650
Deferred income taxes	(261,000)	(109,000)
Other	239,804	189,856
Change in current assets and current liabilities:		
(Increase) decrease in:		
Trade accounts and interest receivable	(746,745)	(83,343)
Inventories	(411,258)	89,284
Prepaid expenses	(138,408)	(130,199)
Increase (decrease) in:		
Trade and other accounts payable	(2,509,457)	(893,491)
Salaries, wages and related accounts	(287,969)	(979,281)
Income taxes payable	2,207,039	3,643,775
Net cash provided by operating activities	9,644,807	12,351,301
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(2,292,987)	(1,126,942)
Purchase of short-term available-for-sale investments	(15,091,601)	(15,130,294)
Proceeds from sale of short-term available-for-sale investments	11,060,000	8,103,532
Increase in other long-term assets	(3,000,000)	(335,000)
Net cash used in investing activities	(9,324,588)	(8,488,704)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock	15,240	459,090
Repurchase of common stock	(485,010)	-
Payments on long-term debt	(212,655)	(197,820)
Net cash (used in) provided by financing activities	(682,425)	261,270
Effect of exchange rate changes on cash	576,621	(222,446)
Net increase in cash and cash equivalents	214,415	3,901,421
Cash and cash equivalents at beginning of period	21,267,791	17,356,108
Cash and cash equivalents at end of period	$ 21,482,206	$ 21,257,529

See notes to consolidated financial statements (unaudited).

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

A. BASIS OF PRESENTATION:

The unaudited consolidated financial statements of Techne Corporation and Subsidiaries (the Company) have been prepared in accordance with accounting principles generally accepted in the United States of America 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 2001. The Company follows these policies in preparation of the interim unaudited consolidated 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 these unaudited consolidated financial statements be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto for the fiscal year ended June 30, 2001 included in the Company's Annual Report to Shareholders for fiscal 2001.

Certain consolidated balance sheet captions appearing in this interim report are as follows:

	9/30/01	6/30/01
ACCOUNTS RECEIVABLE		
Accounts receivable	$ 16,548,604	$ 16,020,048
Less reserve for bad debts	139,000	126,000
NET ACCOUNTS RECEIVABLE	$ 16,409,604	$ 15,894,048
INVENTORIES		
Raw materials	$ 2,675,907	$ 2,552,179
Supplies	137,306	135,595
Finished goods	3,076,052	2,749,820
TOTAL INVENTORIES	$ 5,889,265	$ 5,437,594
FIXED ASSETS		
Land	$ 871,000	$ 871,000
Buildings and improvements	50,647,646	48,906,991
Laboratory equipment	15,440,155	15,023,754
Office equipment	3,975,955	3,833,730
Leasehold improvements	478,204	459,191
	71,412,960	69,094,666
Less accumulated depreciation and amortization	20,881,696	19,900,694
NET FIXED ASSETS	$ 50,531,264	$ 49,193,972
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	32,276,155	30,138,843
NET INTANGIBLE ASSETS	$ 25,308,934	$ 27,446,246

In July 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 applies to all business combinations initiated after June 30, 2001 and prohibits the use of the pooling-of-interests method of accounting. There are also transition provisions provided that apply to business combinations completed before July 1, 2001 that were accounted for using the purchase method. Under SFAS No. 142, goodwill as well as other intangibles determined to have an infinite life will no longer be amortized; however, these assets will be reviewed for impairment on a periodic basis. SFAS No. 142 also includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairments of goodwill. The Company plans to adopt SFAS No. 142 on July 1, 2002. The Company is currently assessing, but has not yet determined, the impact of these statements on its financial position and results of operations. As of September 30, 2001, the Company had net goodwill and other intangible assets of approximately $17.2 million and $8.1 million, respectively.

B. EARNINGS PER SHARE:

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

	QUARTER ENDED 9/30/01	QUARTER ENDED 9/30/00
Weighted average common shares outstanding-basic	41,435,379	41,414,916
Dilutive effect of stock options and warrants	1,096,009	1,345,064
Weighted average common shares outstanding-diluted	42,531,388	42,759,980

C. SEGMENT INFORMATION:

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

	QUARTER ENDED 9/30/01	QUARTER ENDED 9/30/00
External sales		
Hematology	$ 3,649,593	$ 3,508,217
Biotechnology	19,365,734	17,920,915
R&D Systems Europe	6,827,339	6,292,431
Total external sales	$ 29,842,666	$ 27,721,563
Intersegment sales		
Hematology	$ --	$ --
Biotechnology	3,817,484	3,400,657
R&D Systems Europe	19,485	21,252
Total intersegment sales	$ 3,836,969	$ 3,421,909
Income before taxes		
Hematology	$ 1,139,675	$ 1,085,158
Biotechnology	10,580,225	9,573,285
R&D Systems Europe	1,428,398	1,132,812
Corporate and other	(892,517)	(508,205)
Total income before taxes	$ 12,255,781	$ 11,283,050

D. CONTINGENCIES:

Amgen, Inc. (Amgen) has presented invoices in the amount of $28 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 has brought a declaratory judgement action seeking to have the court declare that no amount is owed. Amgen filed a counterclaim seeking the $28 million plus interest and attorneys fees. The Company's management believes it has strong defenses against Amgen's claims and that it owes no material amount. The ultimate outcome of litigation, however cannot be predicted with certainty. An unfavorable outcome to the litigation would not adversely impair the operations of the Company or its financial condition, but would have a material effect on net earnings for the period in which realized.

Portions of the Company's short-term available-for-sale investments were held in brokerage accounts carried by a clearing firm which in late September 2001 was placed in bankruptcy. The trustee appointed pursuant to the Securities Investor Protection Act has released to the Company cash and securities representing approximately 90% of the total value of the accounts and has withheld securities and cash equivalents in the amount of approximately $3.46 million pending resolution of the bankruptcy proceeding. Management believes that a third party insures the Company's accounts with coverage in excess of the amount withheld by the trustee. Accordingly, no impairment loss has been recorded at this time. Management believes that the Company will recover the entire amount withheld either from the trustee or from the insurance carrier.

E. INVESTMENTS:

On August 2, 2001, the Company made an equity investment of $3 million and entered into a research and license agreement with Discovery Genomics, Inc. (DGI) of Minneapolis, Minnesota. DGI was recently organized and holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of druggable targets. The Company acquired a 39% equity interest in DGI and warrants to acquire additional equity. The Company also received the rights to develop antibodies and immunoassay kits for proteins discovered by DGI and an exclusive, royalty free license to sell such products in the research market. The Company's investment in DGI will be accounted for under the equity method of accounting. The Company's net investment in DGI was $2,954,066 at September 30, 2001.

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

Results of Operations Quarter Ended September 30, 2001 vs. Quarter Ended September 30, 2000

Overview

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.

On August 2, 2001, the Company made an equity investment of $3 million and entered into a research and license agreement with Discovery Genomics, Inc. (DGI) of Minneapolis, Minnesota. DGI was recently organized and holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of druggable targets. The Company acquired a 39% equity interest in DGI and warrants to acquire additional equity. The Company also received the rights to develop antibodies and immunoassay kits for proteins discovered by DGI and an exclusive, royalty free license to sell such products in the research market. The Company's investment in DGI will be accounted for under the equity method of accounting. The Company's net investment in DGI was $2,954,066 at September 30, 2001.

Net Sales

Net sales for the quarter ended September 30, 2001 were $29,842,666, an increase of $2,121,103 (8%) from the quarter ended September 30, 2000. R&D Systems' Biotechnology Division sales increased $1,444,819 (8%) and R&D Systems' Hematology Division sales increased $141,376 (4%) for the quarter ended September 30, 2001. R&D Europe sales increased $534,908 (9%) for the quarter.

Sales for the quarter ended September 30, 2001 were $750,000 to $1 million less than expected primarily due to the tragic events of September 11, 2001.

Four shipping days were lost domestically and five days were lost internationally as a result of the grounding of aircraft. Incoming customer orders for the week were significantly below normal levels both at R&D Systems and R&D Europe. Although customer activity was brisk in the following weeks, the Company believes some business was lost as a result of a slow down in research activities during the week of September 11.

R&D Europe's net sales for the quarter were also affected by changes in exchange rates. Adjusted for all changes in exchange rates, R&D Europe's sales for the first quarter of fiscal 2002 would have been approximately $187,000 higher than reported. It is anticipated that exchange rate changes during the remainder of the year will have less of an affect on sales than exchange rate changes had on fiscal 2001 sales. This is because the average exchange rate to date in fiscal 2002 has been the same as the average exchange rate in fiscal 2001. The average exchange rate for fiscal 2001 was 1.45 U.S. dollars per British pound, which was significantly less than the average rate of 1.59 in fiscal 2000.

Gross Margins

Gross margins for the first quarter of fiscal 2002 were 74.7% compared to 75.5% for the same quarter in fiscal 2001. Biotechnology Division margins increased slightly from 79.1% to 79.3% for the quarter ended September 30, 2001. R&D Europe gross margins decreased from 39.3% to 36.1% for the quarter ended September 30, 2001 as a result of exchange rate changes. Hematology Division gross margins decreased from 44.4% to 42.9% for the quarter as a result of changes in product mix.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $61,391 (1%) from the first quarter of last year. The increase was mainly the result of higher legal and consulting costs partially offset by foreign currency exchange gains.

Research and Development Expenses

Research and development expenses increased $721,025 (22%) for the quarter ended September 30, 2001. Research and development expenses of R&D Systems increased $696,076 (22%) for the quarter. The R&D Systems research expense increase relates to products currently under development, many of which are expected to be released in fiscal 2002. Products currently under development include both biotechnology and hematology products. Research expenses recorded by the Company related to its investment in ChemoCentryx, Inc. decreased $20,985 for the quarter ended September 30, 2001. Research expenses recorded by the Company related to its investment in Discovery Genomics, Inc. were $45,934 for the quarter ended September 30, 2001.

Net Earnings

Earnings before income taxes increased $972,731 from $11,283,050 in the first quarter of fiscal 2001 to $12,255,781 in the first quarter of fiscal 2002. The increase in earnings before income taxes was due primarily to the increase in sales discussed previously.

Income taxes for the quarter ended September 30, 2001 were provided at a rate of approximately 31% of consolidated pretax earnings compared to 34% for the prior year. The decrease in the tax rate is a result of decreased state income taxes and an increase in tax exempt interest income. 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, 2001, cash and cash equivalents and short-term available-for-sale investments were $101,317,884 compared to $97,071,868 at June 30,

2001. 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 available-for-sale 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 $9,644,807 from operating activities in the first three months of fiscal 2002 compared to $12,351,301 for the first three months of fiscal 2001. The decrease was mainly the result of a decrease in trade and other accounts payable at September 30, 2001.

Cash Flows From Investing Activities

Capital expenditures for fixed assets for the first three months of fiscal 2002 and 2001 were $2,292,987 and $1,126,942, respectively. Included in fiscal 2002 capital additions is $1.4 million for construction of a parking ramp which is expected to be completed in late fiscal 2002. Also included in the fiscal 2002 and 2001 capital additions were $353,000 and $507,000, respectively, for building improvements related to remodeling of facilities by R&D Systems. The remaining capital additions in fiscal 2002 and 2001 were for laboratory and computer equipment. Total expenditures for equipment, building improvements and the completion of the parking ramp in fiscal 2002 are expected to cost approximately $7.4 million and are expected to be financed through currently available funds and cash generated from operating activities.

The Company has exercised an option to purchase property adjacent to its Minneapolis facility. In fiscal 2000, the Company paid $2 million and issued warrants to purchase 120,000 shares of common stock as a deposit on this option. The balance due on the purchase is approximately $6 million and closing on the purchase is expected to take place in January 2002. Costs to renovate the property are estimated at approximately $12 million with the renovation expected to be completed in early fiscal 2003. The Company also plans to build an infill to connect this property with its current facility. The construction of the infill is expected to begin in the spring of 2002 with completion in late fall 2002 and costs are estimated at approximately $5.5 million. The purchase of the property, renovation costs and construction of the infill are expected to be financed through currently available funds, cash generated from operating activities and maturities of short-term available-for-sale investments.

During the three months ended September 30, 2001 and September 30, 2000, short-term available-for-sale investments increased by $4,031,601 and $7,026,762, respectively. 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 minimal risk, while keeping the funds accessible.

During the first three months of fiscal 2001, the Company invested $3 million in Discovery Genomics, Inc.

Cash Flows From Financing Activities

Cash of $15,240 and $459,090 was received during the three months ended September 30, 2001 and 2000, respectively, for the exercise of options for 2,100 and 68,568 shares of common stock. During the first three months of fiscal 2002 and 2001 options for 10,000 and 1,000 shares of common stock were exercised by the surrender of 802 and 224 shares of the Company's common stock with fair market values of $28,110 and $8,554, respectively.

During the first three months of fiscal 2002, the Company purchased and retired 20,000 shares of Company common stock at a market value of $485,010. The Board of Directors has authorized the Company, subject to market conditions and share price, to purchase and retire up to $20 million of its common stock. From the start of the repurchase program through November 5, 2001, 1,361,200 shares have been purchased at a market value of $10,402,892.

The Company has never paid cash dividends and has no plans to do so in fiscal 2002.

New Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board issued SFAF No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 applies to all business combinations initiated after June 30, 2001 and prohibits the use of the pooling-of-interests method of accounting. There are also transition provisions provided that apply to business combinations completed before July 1, 2001 that were accounted for using the purchase method. Under SFAS No. 142, goodwill as well as other intangibles determined to have an infinite life will no longer be amortized; however, these assets will be reviewed for impairment on a periodic basis. SFAS No. 142 also includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairments of goodwill. The Company plans to adopt SFAS No. 142 on July 1, 2002. The Company is currently assessing, but has not yet determined, the impact of these statements on its financial position and results of operations. As of September 30, 2001, the Company had net goodwill and other intagible assets of approximately $17.2 million and $8.1 million, respectively.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At September 30, 2001, the Company had an investment portfolio of fixed income securities, excluding those classified as cash and cash equivalents, of $79,835,678. 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 in interest rates 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

The information required by Item 1 is contained in the Company's Form 10-K for the year ended June 30, 2001, which is incorporated herein by reference.

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, October 18, 2001.

(b) A proposal to set the number of directors at eight was adopted by a vote of 38,056,068 in favor with 128,883 shares against, 16,552 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	31,263,068	6,938,435
Roger C. Lucas	37,683,517	517,986
Howard V. O'Connell	38,023,663	177,840
G. Arthur Herbert	38,024,473	177,030
Randolph C. Steer	38,030,098	171,405
Lowell E. Sears	38,030,105	171,398
Christopher S. Henney	38,030,098	171,405
Timothy M. Heaney	31,206,874	6,994,629

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 (private label) 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 the signature page.

B. REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended September 30, 2001.

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 13, 2001 Thomas E. Oland

President, Chief Executive and
Financial Officer

EXHIBIT INDEX
TO
FORM 10-Q

TECHNE CORPORATION

Exhibit #	Description
10.1	Exercise of Option Agreement Relating to 2101 Kennedy Street dated October 31, 2001.

EXERCISE OF OPTION AGREEMENT

THIS EXERCISE OF OPTION AGREEMENT made and entered into this 31st day of October, 2001, by and between Hillcrest Development ("Owner") and Techne Corporation ("Buyer").

RECITALS

A. Owner and Buyer's assignor, R&D Systems, Inc., entered into a Phase I Option Agreement dated February 10, 1999 with respect to the property ("Property") commonly known as 2101 Kennedy Street and 659 Cleveland Street along with surface parking lots all located in the City of Minneapolis, County of Hennepin, State of Minnesota ("Option Agreement").

B. The Option Agreement and the Purchase Agreement attached as Exhibit B to the Option Agreement ("Purchase Agreement") were amended by the First Amendment to Phase I Option Agreement dated April 10, 1999, by the Second Amendment to Phase I Option Agreement dated June 9, 1999, and by the Third Amendment to Phase I Option Agreement dated October 4, 2000 (collectively, the "Amendments").

C. Owner acknowledges that Buyer has paid the Two Million and no/100 Dollars ($2,000,000) earnest money required by Section II of the Purchase Agreement and such payment has been deposited with First American Title Insurance Company as escrow agent and as a qualified intermediary under IRC Section 1031 for Owner. Moreover, Buyer has delivered to Seller the Warrants, as required under the Purchase Agreement.

D. Buyer acknowledges that Owner provided it with an amended title commitment as required by Section VI of the Purchase Agreement on September 25, 2001.

E. The parties wish to provide for the exercise, among other things, by Buyer of the option contained in the Option Agreement, to amend the Purchase Agreement so as to amend the Closing Date specified in the Purchase Agreement to January 15, 2002, and to provide for the leasing of the Property from the Owner to the Buyer during an interim period expiring no later than January 15, 2002 so as to enable the Owner, as landlord, to make certain improvements to the Property, at the sole cost and expense of the Buyer, as tenant, all upon the terms and conditions hereafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions hereafter set forth, the parties hereby agree as follows:

AGREEMENT

1. Buyer hereby exercises its option to purchase the Property pursuant to the Option Agreement as amended by the Amendments, and Owner and Buyer both agree that this Agreement shall constitute service of the notice to exercise the option as provided for in the Option Agreement. Both parties agree, upon execution of this Agreement, to execute the Purchase Agreement. Notwithstanding the execution by the parties hereto of the Purchase Agreement in the original form as attached as Exhibit B to the Option Agreement, the parties agree that the Purchase Agreement and Amendments shall be deemed amended as provided for in this Agreement and the Amendments.

2. Notwithstanding the execution of the Purchase Agreement contemporaneously with the execution of this Agreement, the parties agree that the Purchase Agreement is hereby amended in the following respects:

(a) Section X of the Purchase Agreement is hereby amended to provide that the closing shall take place on January 15, 2002.

(b) The term "Property: as used in the Purchase Agreement shall include an additional strip ("Additional Strip") of surface parking legally described in the Third Amendment to the Phase I Option Agreement. The Property is more fully described on the attached Exhibit A to this Agreement.

(c) The purchase price as defined in Section I of the Purchase Agreement shall be deemed to have increased by an additional amount of $20,000 plus the actual costs, legal expenses and survey expenses incurred by Owner in acquiring the Additional Strip, which anticipated costs, legal expenses and survey expenses equals $2,327.11. Owner shall provide Buyer with an itemization of such additional costs within five (5) days of the date of this Agreement. In addition, Paragraph 3 of the Third Amendment to the Phase I Option Agreement and the Purchase Agreement shall both be amended to provide that the Purchase Price shall be increased by the following amounts:

(i) a total of $290,782.50 for the expenses for grading, fencing, landscaping, blacktopping, lighting, site work to fully compensate Owner for the improvements to the MT-BN Lot; and

(ii) a total of $3,257.02 to fully compensate Owner for the asbestos removal expenses incurred with respect to 2101 Kennedy Street.

Moreover, Section I (iii) of the Purchase Agreement shall be amended to read as follows:

The Purchase Price shall be allocated as follows:
$______________ to 2101 Kennedy;
$______________ to 659 Cleveland;
$______________ Triangular Portion;
$______________ to MT-BN Lot;
$______________ to Additional Strip.

The parties hereto agree that the foregoing allocation may be completed on or before the Date of Closing.

(d) Owner agrees to deliver all items required to be delivered by Owner to Buyer pursuant to Purchase Agreement Sections IV(a) on or before October 31, 2001. Buyer agrees that it shall complete all of its due diligence and satisfy all of its conditions precedent found in Section IV of the Purchase Agreement on or before the Contingency Date, as defined below at paragraph 2(f) of this Agreement. In the event Buyer fails to give notice to Owner on or before the Contingency Date, that Buyer is not satisfied with the conditions precedent under the Purchase Agreement, the parties agree that (i) Buyer has waived all such conditions precedent, and (ii) the Purchase Agreement shall be deemed non-contingent and the parties will proceed to close the Agreement on or before January 15, 2002, pending satisfactory resolution of any outstanding title issues, as described below.

(e) Section VI B is amended to read as follows: Buyer agrees to deliver to Seller on or before November 5, 2001, a written statement containing any objection Buyer has to the state of title, including Survey objections but excluding objections to Permitted Encumbrances and excluding matters described by surveys provided to Buyer prior to February 26, 1999. If such statement of objections is not delivered by such date, title shall be deemed approved by Buyer except for Schedule B, Section 1 requirements of the commitment ("Requirements") which Seller agrees to satisfy at closing. If any objection other than the Requirements is not cured or removed by the Closing Date, Buyer, at its option, may, prior to the Closing Date, either (i) accept title as it is, subject to Seller's obligations to satisfy the Requirements; or (ii) terminate this Purchase Agreement. Seller shall have no obligations to cure any Permitted Encumbrances. Upon any such termination all parties shall be released from all duties or obligations contained herein (except for Buyer's Indemnity under Sections IV(a) and V(A) hereof) and Buyer shall be entitled to a partial or full refund of the Deposit as described in Sections III(b) or III(c) of the Purchase Agreement.

(f) Except with respect to Buyer's right to terminate the Purchase Agreement for Seller's failure to cure the Title Requirements, all other rights of Buyer contained in the Purchase Agreement to terminate the Purchase Agreement are hereby amended to provide that such rights must be exercised on or before the date that is (i) the thirty (30) days after the date hereof or they shall be deemed forever waived; or if earlier, (ii) the date that Buyer actually waives its contingencies, (the "Contingency Date").

(g) Buyer agrees that any additional environmental testing allowed by Section V of the Purchase Agreement shall be completed by the Contingency Date.

(h) Owner hereby represents that it has given notices to all tenants of the Property, including the "Five Tenants" as defined in the Purchase Agreement, to terminate all such leases and vacate the Property effective October 31, 2001. Section IX(v) and the last paragraph of Section XII of the Purchase Agreement are amended to provide that the date for Seller to have terminated all existing leases of all tenants, including the Five Tenants, is January 15, 2002.

(i) Section VII of the Purchase Agreement is amended so as to change the phrase "deferred or simultaneous Section 1031 like-kind exchange(s)" to "deferred, reverse or simultaneous Section 1031 like-kind exchange(s)."

(j) Section XV is hereby amended to read as follows:

To Owner: Hillcrest Development
2424 Kennedy Street NE
Minneapolis, MN 55413
Attn: Scott M. Tankenoff

With a Copy to: Maslon Edelman Borman & Brand LLP
3300 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4140
Attn: Charles Bans

To Buyer: Techne Corporation
614 McKinley Place
Minneapolis, MN 55413
Attn: Thomas E. Oland, CEO

With a Copy to: Fredrikson & Byron, P.A.
1100 International Centre
900 Second Avenue South
Minneapolis, MN 55402
Attn: Susan D. Steinwall

3. The parties agree that if the Purchase Agreement is not terminated by the Buyer on or before the Contingency Date, Owner and Seller will enter into two leases under which the Owner shall lease a portion of the Property to Buyer. The first lease shall cover the property commonly known as 2101 Kennedy Street and shall have an effective date of November 1, 2001, and shall expire on the Date of Closing or January 15, 2002, whichever is earlier. The lease shall be a triple net lease with a base monthly rental of Twenty Three Thousand and no/100 Dollars ($23,000.00) per month and shall provide that Buyer, as tenant, shall reimburse the Owner, as landlord, for all physical improvements made by the Owner at the request of Buyer to the leased premises on or after the Contingency Date. The second lease shall be a lease of the premises known as 659 Cleveland Street and this lease shall commence on the Contingency Date and shall expire on the earlier of the date of closing or January 15, 2002. This lease shall be a triple net lease with a base monthly rental of One Thousand and no/100 Dollars ($1,000.00) per month, and shall provide that Buyer, as tenant, shall reimburse the Owner, as landlord, for all physical improvements made by the Owner at the request of Buyer to the leased premises on or after the Contingency Date.

4. Buyer acknowledges that it has received notice of the City of Minneapolis' proposed plans to re-align and re-construct a portion of Kennedy Street NE lying westerly of vacated Cleveland Avenue and a segment of Arthur Street NE lying south of Broadway Avenue (the "Road Work"). Buyer further acknowledges that a portion of the Property described herein may be taken through the City's exercise of its powers of eminent domain in conjunction with the said road realignment and that the City may impose a special assessment against a portion of the Property as a result of the Road Work.

5. If there are any inconsistencies between the provisions of this Agreement, the Option Agreement, the Purchase Agreement and/or the Amendments, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota and shall be binding upon and inure to the benefit of the parties' successors and assigns.

OWNER:

Hillcrest Development

By: Scott Tankenoff
Its: General Partner

BUYER:
Techne Corporation

By: Thomas E Oland
Its: President

EXHIBIT A

Legal Description

The Land referred to is situated in the State of Minnesota, County of Hennepin, and is described as follows:

Parcel A:

Lot 1, Block 1, Dannys Addition, Hennepin County, Minnesota.

(Torrens Property, Certificate No. 1058031)

Parcel B:

Lot 18, Auditor's Subdivision Number 268, Hennepin County, Minnesota, together with the appurtenant easements contained in Document No. 1178824, and together with that portion of vacated Cleveland Street Northeast which accrued thereto by reason of the vacation thereof.

(Torrens Property, Certificate No. 861446)

Parcel C:

Lot 26, Auditor's Subdivision Number 268, Hennepin County, Minnesota.

(Torrens Property, Certificate No. 861446)

Parcel D:

That part of Lot 33, Auditor's Subdivision Number 268, Hennepin County, Minnesota, described as follows: Beginning at a point in the North line of Block 12, "Minneapolis Industrial District", which point is 815.96 feet West of the Northeast corner of said Block 12; thence South parallel with the Southwest line of said Lot 33 a distance of 368.03 feet; thence Southwesterly on a line which is perpendicular to the Southwest line of said Lot 33 to said Southwesterly line of Lot 33; thence Northwesterly on the Southwesterly line of said Lot 33 to the North line of Block 12; thence Easterly on the North line of Block 12 to point of beginning.

(Torrens Property, Certificate No. 1067443)