SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2004

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 of Incorporation)	(IRS Employer Identification No.)

614 McKinley Place N.E., Minneapolis, MN	55413
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number: (612) 379-8854

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $.01 par value.

Indicate by check mark whether the Company (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: (X)

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ( )

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). (X)

The aggregate market value of the Common Stock held by non-affiliates of the Registrant, based upon the closing sale price on September 10, 2004 as reported on The Nasdaq Stock Market was approximately $1,609,000,000. Shares of Common Stock held by each officer and director and by each person who owns 5% or more of the outstanding Common Stock have been excluded.

Shares of $.01 par value Common Stock outstanding at September 10, 2004: 41,168,982

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for its 2004 Annual Meeting of Shareholders are incorporated by reference into Part III.

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PART I

ITEM 1. BUSINESS

OVERVIEW

TECHNE Corporation (the Company) is a holding company which has two wholly-owned 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 is a specialty manufacturer of biological products. Its two major operating segments are hematology controls, which are used in hospital and clinical laboratories to check the performance of blood analysis instruments, and biotechnology products, including purified proteins (cytokines) and antibodies which are sold exclusively to the research market and assay kits which are sold to the research and clinical diagnostic markets. R&D Europe distributes R&D Systems' biotechnology products in Europe. R&D Europe has a German sales subsidiary, R&D Systems GmbH (R&D GmbH) and a sales office in France.

R&D Systems was founded and incorporated in 1976 in Minneapolis, Minnesota and was acquired by the Company in 1985. In 1977, R&D Systems introduced its first product, a platelet-rich-plasma control. In 1981, R&D Systems was the second manufacturer in the world to release a whole blood control with

platelets, thereby establishing itself as one of the leaders in the field of hematology control products manufacturing. Subsequently, R&D Systems has developed several types of hematology controls designed to keep pace with the technology of the newest models of hematology instruments. These products are sold throughout the United States directly by R&D Systems and in many foreign countries through distributors.

In 1985, R&D Systems entered the research reagent market with its first cytokine, transforming growth factor-beta (TGF-beta). Cytokines are specialized protein molecules that stimulate or suppress various cellular functions in the body. Cytokines are in demand by biomedical researchers who want to learn more about their diverse effects. Encouraged by its early success in the cytokine market, R&D Systems formed a biotechnology division in fiscal 1986 with the goal of producing a wide range of cytokines through genetic engineering. Recombinant DNA technology offers several advantages over extraction of these proteins from natural sources, including lower production cost and potentially unlimited supply.

In fiscal 1992, R&D Systems purchased Amgen Inc.'s research reagent and diagnostic assay kit business. With this purchase, R&D Systems obtained Amgen's Erythropoietin (EPO) kit, the Company's first enzyme-linked immunosorbent assay kit for a cytokine that had been cleared by the U.S. Food and Drug Administration (FDA) for clinical diagnostic use.

In fiscal 1994, the Company acquired its European biotechnology distributor, British Bio-technology Products Ltd. (renamed R&D Systems Europe Ltd.) from British Bio-technology Group plc. R&D Europe distributes biotechnology products developed and manufactured by R&D Systems.

Between fiscal 1998 and 2000 and in 2004, the Company made equity investments in the preferred stock of ChemoCentryx, Inc. (CCX), a technology and drug development company. The Company currently holds approximately 19.9% of the outstanding stock of CCX. In addition to the equity investment and joint research efforts, the Company obtained research and diagnostic market rights to all products discovered or developed by CCX.

In fiscal 1999, R&D Systems purchased Genzyme Corporation's research products business. This acquisition established R&D Systems as the world's leading supplier of research and diagnostic cytokine products. Included in consolidated cost of sales for fiscal 2003 and 2002 were $2.3 million and $1.8 million, respectively, of royalties paid to Genzyme under the purchase agreement. The royalty agreement expired on June 30, 2003.

In fiscal 2002, 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 holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of drugable targets. The Company currently holds a 38% 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. During the fourth quarter of fiscal 2004, the Company determined that its investment in DGI was other than temporarily impaired and wrote off the remaining net investment of $1.5 million.

In January 2004, the Company purchased a 10% interest in Hemerus Medical, LLC (Hemerus) for $3 million. Hemerus was formed in March 2001 and has acquired and is developing technology for the separation of leukocytes from blood and blood components.

THE MARKET

The Company, through its two operating subsidiaries, manufactures and sells products for the clinical diagnostics market (hematology controls and calibrators) and the biotechnology research and clinical diagnostics market (cytokines, assays and related products). In fiscal 2004, 2003 and 2002, R&D Systems' Hematology Division revenues accounted for approximately 11%, 11% and 12%, respectively, of consolidated revenues. Revenues from R&D Systems' Biotechnology Division were 62%, 63% and 65% and revenues from R&D Europe were 27%, 26% and 23% of consolidated revenues for fiscal 2004, 2003 and

2002, respectively.

Biotechnology Products

R&D Systems is the world's leading supplier of cytokines and cytokine-related reagents to the biotechnology research community. These valuable proteins exist in minute amounts in different types of cells and can be extracted from these cells or made through recombinant DNA technology. In 1985, R&D Systems introduced its first cytokine and continues to add to this product line. The first cytokines were extracted from natural sources (human and porcine platelets and bovine brain). Currently almost all of cytokines are produced by recombinant DNA technology.

The growing interest by academic and commercial researchers in cytokines exists because of the profound effect a tiny amount of a cytokine can have on the cells and tissues of the body. Cytokines are intercellular messengers. They act as signals by interacting with specific receptors on the affected cells. They carry vital signals to the cell's genetic machinery that can trigger events that can lead to significant changes in a cell, tissue or organism. For example, cytokines can signal a cell to differentiate, i.e., to acquire the features necessary for it to take on a more specialized task. Another example of cytokine action is the key role played in stimulating cells surrounding a wound to grow and divide, to attract migratory cells to the injury site and mediate the healing process.

In recent years, R&D Systems' Biotechnology Division has also added enzymes to its product portfolio. Enzymes are biological catalysts that accelerate a variety of chemical reactions in cells. Most enzymes, including proteases, kinases and phosphatases, are proteins that modify the structure and function of other proteins. Many enzymes are important markers and therapeutic targets for diseases such as cancer, Alzheimer's, arthritis, diabetes, hypertension, obesity, AIDS and SARS.

The Biotechnology Division markets its cytokine assay kits under the tradename Quantikine(r). These kits are used by scientific researchers to quantify the level of a specific cytokine in a sample of serum, plasma or other biological fluid for basic research and for cytokine studies in pharmaceutical discovery and development programs.

R&D Systems currently manufactures and sells over 6,800 biotechnology products.

Current Biotechnology Products

Cytokines and Enzymes. Cytokines, extracted from natural sources or produced using recombinant DNA technology, are manufactured to the highest purity. Enzymes and related factors including enzyme substrates and inhibitors are highly purified and characterized to ensure the highest biological activity.

Antibodies. The Company's polyclonal antibodies are produced in animals (primarily goats). The animals' immune systems recognize an injected cytokine as foreign and develop antibodies to the cytokine. The polyclonal antibodies are then purified from the animals' blood. Monoclonal antibodies are produced by injecting purified cytokines into mice or by an in vitro (animal-free) process.

Assay Kits. This product line includes R&D Systems' human and animal Quantikine kits which allow research scientists to quantify the amount of a specific cytokine in a sample of serum or other biological fluids. Also included in this product line are assay kits, developed by R&D Europe, to quantify adhesion molecules. These kits are used by research scientists to measure cellular adhesion molecules in serum, plasma, or cell culture media. Cellular adhesion molecules facilitate the movement of infection fighting cells out of the blood stream to the site of the infection or injury.

Clinical Diagnostic Kits. The EPO kit, acquired from Amgen Inc. in fiscal 1992, was the first diagnostic assay for which R&D Systems received FDA marketing clearance. R&D Systems also has received FDA marketing clearance for its transferrin receptor (TfR) and Beta2-microglobulin kits.

Flow Cytometry Products. This product line includes R&D Systems' Fluorokine(r) kits, which are used to measure the presence or absence of cell surface receptors for specific cytokines.

DNA and Related Products. This diverse product line includes: primer pairs which are synthetic DNA used to amplify specific genes in the laboratory, messenger RNA kits that allow researchers to quantitate the amount of a specific cytokine messenger RNA, and reagents for the study of DNA damage and repair mechanisms in the cell.

Hematology Controls and Calibrators

Hematology controls and calibrators, manufactured by and marketed through the Hematology Division of R&D Systems, are products composed of the various cellular components of blood which have been stabilized. Proper diagnosis of many illnesses requires a thorough and accurate analysis of a patient's blood cells, which is usually done with automated or semi-automated hematology instruments. Controls and calibrators produced by the Hematology Division ensure that these instruments are performing accurately and reliably.

Blood is composed of plasma, the fluid portion of which is mainly water, and blood cells, which are suspended in the plasma. There are three basic types of blood cells: red cells, white cells and platelets. Red cells transport oxygen from the lungs throughout the body, which is the function of hemoglobin. White cells defend the body against foreign invaders. Platelets serve as a "plug" to stem blood flow at the site of an injury by initiating a complex series of biochemical reactions that lead to the formation of a clot.

These fundamental components (red cells, white cells and platelets) differ widely in size and concentration. The white cells are the largest in size and platelets the smallest. The red cells are the most numerous and constitute 95 percent of all blood cells. The average adult has from 20 to 30 trillion red cells. For every 500 red cells, there are approximately one white cell and about 20 platelets. As noted above, hematology controls are used in automated and semi-automated cell counting analyzers to make sure these instruments are counting blood cells in patient samples accurately. One of the most frequently performed laboratory tests on a blood sample is called a complete blood count or CBC for short. Doctors use this test in disease screening and diagnosis. More than one billion of these tests are done every year, the great majority with cell counting instruments. In most laboratories the CBC consists of the white cell count, the red cell count, the hemoglobin reading, and the hematocrit reading (the percent of red cells in a volume of whole blood after it has been centrifuged). Also included in a CBC test is the differential, which numbers and classifies the different types of white cells.

These and other characteristics or "parameters" of a blood sample can be measured by automated or semi-automated cell counters. The number of parameters measurable in a blood control product depends on the type and sophistication of the instrument for which the control is designed. Ordinarily, a hematology control is used once to several times a day to make sure the instrument is reading accurately. In addition, most instruments need to be calibrated periodically. Hematology calibrators are similar to controls, but go through additional testing to ensure that the calibration values assigned are extremely accurate and can be used to calibrate the instrument.

The Hematology Division of R&D Systems offers a wide range of hematology controls and calibrators for both impedance and laser type cell counters. R&D Systems believes its products have improved stability and versatility and a longer shelf life than most of those of its competitors. The Hematology Division supplies hematology control products for use as proficiency testing materials by laboratory certifying authorities of a number of states and countries. R&D Systems recognizes that developing technologies for cell counting instruments will require increasingly sophisticated and high-quality controls and is prepared to meet this challenge.

Current Retail Hematology Products

Whole Blood CBC Controls/Calibrators. The Hematology Division of R&D Systems currently produces controls and calibrators for the following brands of

analyzers: Abbott Diagnostics, Beckman Coulter, Bayer Technicon and Sysmex.

Linearity and Reportable Range Controls. These products provide a means of assessing the linearity of hematology analyzers for white blood cells, red blood cells, platelets and reticulocytes. Because hematology analyzers are single point calibrated, these products allow users to determine and validate the reportable range of an instrument.

Whole Blood Reticulocyte Controls. These controls are designed for manual and automated counting of reticulocytes (immature red blood cells).

Whole Blood Flow Cytometry Controls. These products are controls for flow cytometry instruments. These instruments are used to identify and quantify white blood cells by their surface markers.

Whole Blood Glucose/Hemoglobin Control. This product is designed to monitor instruments which measure glucose and hemoglobin in whole blood.

Erythrocyte Sedimentation Rate Control. This product is designed to monitor erythrocyte sedimentation rate tests.

Multi-Purpose Platelet Reference Controls. These products, Platelet-Trol(r) II and Platelet-Trol Extended, are designed for use by automated and semi-automated analyzers.

PRODUCTS UNDER DEVELOPMENT

R&D Systems is engaged in ongoing research and development in all of its major product lines: controls and calibrators (Hematology Division) and cytokines, antibodies, assays and related products (Biotechnology Division). The Company believes that its future success depends, to a large extent, on the ability to keep pace with changing technologies and markets. At the same time, the Company continues to examine its production processes to ensure high quality and maximum efficiency.

R&D Systems' Biotechnology Division is planning to release new cytokines, antibodies and cytokine assay kits in the coming year. All of these products will be for research purposes only and therefore do not require FDA clearance. R&D Systems' Hematology Division has developed several new control products in fiscal 2004 and is continuously working on product improvements and enhancements. However, there is no assurance that any of the products in the research and development phase can be developed or, if developed, can be successfully introduced into the marketplace.

Included in consolidated research and development expense are the Company's share of losses by CCX and DGI and Hemerus, companies in which the Company has invested. Research and development expense was as follows (in thousands):

	Year ended June 30,		
	2004	2003	2002
R&D Systems' expenses	$17,920	$17,393	$15,615
CCX losses	2,437	2,580	1,350
DGI losses	364	608	505
Hemerus losses	52	--	--
	$20,773	$20,581	$17,470
Percent of revenue	12.9%	14.2%	13.3%

BUSINESS RELATIONSHIPS

The Company has invested in the Preferred Stock (Series A and B) of ChemoCentryx, Inc. (CCX). CCX is 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, the Company obtained exclusive worldwide research and diagnostic marketing rights to chemokine proteins, antibodies and receptors discovered or developed by CCX. Through April 2004 the Company held 26% of the outstanding stock of CCX and accounted for the investment under the equity method of accounting. In May and June, 2004 CCX obtained $38.1 million in financing through the issuance of approximately 14.7 million shares of Preferred (Series B) Stock. The financing included a $5.1 million investment by the Company. After the financing, the Company holds a 19.9% equity interest in CCX. The Company then evaluated the cost versus equity method of accounting for its investment in CCX and determined that it does not have the ability to exercise significant influence over the operating and financial policies of CCX and therefore, after April 2004, accounted for its investment on a cost basis. The Company's net investment in CCX was $5.1 million and $2.5 million at June 30, 2004 and 2003, respectively. The Company has been issued warrants for 1.7 million shares of CCX Preferred Stock (Series A) which expire on December 31, 2005.

In fiscal 2002, 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 holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of drugable targets. The Company currently holds a 38% 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 is accounted for under the equity method of accounting. During the fourth quarter of fiscal 2004, the Company determined that its investment in DGI was other than temporarily impaired and wrote off the remaining net investment of $1.5 million. The Company's net investment in DGI was $1.9 million at June 30, 2003.

On January 1, 2004, the Company purchased a 10% interest in Hemerus Medical, LLC (Hemerus) for $3 million. Hemerus was formed in March 2001 and has acquired and is developing technology for the separation of leukocytes from blood and blood components. Leukoreduced blood is important in blood transfusion. Hemerus owns two patents and has several patent applications pending and is currently pursuing FDA clearance to market its products in the U.S. In parallel with this investment, R&D Systems entered into a Joint Research Agreement with Hemerus. The research will involve joint projects to explore the use of Hemerus' filter technology to applications within R&D Systems' Hematology and Biotechnology Divisions. Such applications, if any, may have commercial potential in other laboratory environments. The Company accounts for its investment in Hemerus under the equity method of accounting. The Company's net investment in Hemerus was $2.9 million at June 30, 2004.

Original Equipment Manufacturer (OEM) agreements represent the largest market for hematology controls and calibrators made by R&D Systems. In fiscal 2004, 2003 and 2002, OEM contracts accounted for $7.7 million, $7.2 million and $7.6 million, respectively, or 5%, 5% and 6% of total consolidated revenues.

GOVERNMENT REGULATION

All manufacturers of hematology controls and calibrators are regulated under the Federal Food, Drug and Cosmetic Act, as amended. All of R&D Systems' hematology control products are classified as "In Vitro Diagnostic Products" by the FDA. The entire hematology control manufacturing process, from receipt of raw materials to the monitoring of control products through their expiration date, is strictly regulated and documented. FDA inspectors make periodic site inspections of the Hematology Division's control operations and facilities. Hematology control manufacturing must comply with Quality System Regulations (QSR) as set forth in the FDA's regulations governing medical devices.

Three of R&D Systems' immunoassay kits, EPO, TfR and Beta2-microglobulin, have FDA clearance to be sold for clinical diagnostic use. R&D Systems must comply with QSR for the manufacture of these kits. Biotechnology products manufactured in the United States and sold for use in the research market do not require FDA clearance.

Some of R&D Systems' research groups use small amounts of radioactive materials in the form of radioisotopes in their product development activities. Thus, R&D Systems is subject to regulation by the US Nuclear Regulatory Commission (NRC) and has been granted an NRC license due to expire in April 2005. The license is renewable annually. R&D Systems is also subject to regulation and inspection by the Department of Health of the State of Minnesota for its use of radioactive materials. It has been granted a certificate of registration, which is renewable annually, by the Minnesota Department of Health. The current certificate expires April 1, 2005. R&D Systems has had no difficulties in renewing these licenses in prior years and has no reason to believe they will not be renewed in the future. If, however, the licenses were not renewed, it would have minimal effect on R&D Systems' business since there are other technologies the research groups could use to replace radioisotopes.

AVAILABILITY OF RAW MATERIALS

The primary raw material for the Company's hematology controls is whole blood. Human blood is purchased from commercial blood banks and porcine and bovine blood is purchased from nearby meat processing plants. After raw blood is received, it is separated into its components, processed and stabilized. Although the cost of human blood has increased owing largely to the requirement that it be tested for certain diseases, the higher cost of these materials has not had a serious adverse effect on the Company's business. R&D Systems does not perform its own testing as the supplier tests all human blood purchased. R&D Systems' Biotechnology Division develops and manufactures the majority of its cytokines from synthetic genes developed in-house, thus significantly reducing its reliance on outside resources. R&D Systems typically has several outside sources for all critical raw materials necessary for the manufacture of products.

PATENTS AND TRADEMARKS

R&D Systems owns patent protection for certain hematology controls. R&D Systems may seek patent protection for new or existing products it manufactures. No assurance can be given that any such patent protection will be obtained. No assurance can be given that R&D Systems' products do not infringe upon patents or proprietary rights owned or claimed by others, particularly for genetically engineered products. R&D Systems has not conducted a patent infringement study for each of its products. See Item 3 Legal Proceedings below.

R&D Systems and R&D Europe have a number of licensing agreements with patent holders under which they have the non-exclusive right to patented technology or the non-exclusive right to manufacture and sell certain patented cytokine and cytokine related products to the research market. For fiscal 2004, 2003 and 2002, total royalties expensed under these licenses were approximately $2.3 million, $2.3 million and $2.1 million, respectively.

R&D Systems has obtained federal trademark registration for certain of its hematology controls and biotechnology product groups. R&D Systems believes it has common law trademark rights to certain marks in addition to those which it has registered.

SEASONALITY OF BUSINESS

Sales of products by R&D Systems and R&D Europe, particularly R&D Europe, historically experience a slowing of sales or of the rate of sales growth during the summer months. R&D Systems also usually experiences a slowing of sales during the Thanksgiving to New Year holiday period. The Company believes this slowing is a result of vacation schedules in Europe and Japan and of academic schedules in the United States.

SIGNIFICANT CUSTOMERS

No single customer accounted for more than 10% of total revenues during fiscal 2004, 2003 or 2002.

BACKLOG

There was no significant backlog of orders for the Company's products as of the date of this report or as of a comparable date for fiscal 2003. The majority of the Company's biotechnology products are shipped within one day of receipt of the customers' order. The majority of hematology products are shipped based on a preset, recurring schedule.

COMPETITION

The worldwide market for cytokines and research diagnostic assay kits is being supplied by a number of biotechnology companies, including BD Biosciences, BioSource International, PeproTech, Inc., Sigma Chemical Co., Amersham Biosciences, Fisher Scientific and EMD Biosciences, Inc. R&D Systems believes that it is the leading worldwide supplier of cytokine related products in the research marketplace. R&D Systems believes that the expanding line of its products, their recognized quality, and the growing demand for these rare and versatile proteins, antibodies and assay kits, will allow the Company to remain competitive in the growing biotechnology research and diagnostic market.

Competition is intense in the hematology control business. The first control products were developed in response to the rapid advances in electronic instrumentation used in hospital and clinical laboratories for blood cell counting. Historically, most of the instrument manufacturing companies made controls for use in their own instruments. With rapid expansion of the instrument market, however, a need for more versatile controls enabled non-instrument manufacturers to gain a foothold. Today the market is comprised of manufacturers of laboratory reagents, chemicals and coagulation products and independent control manufacturers in addition to instrument manufacturers. The principal hematology control competitors of R&D Systems' retail products are Beckman Coulter, Inc., Sysmex, Streck Laboratories, Abbott Diagnostics, Bio-Rad Laboratories and Bayer Technicon. R&D Systems believes it is the third largest supplier of hematology controls in the marketplace behind Beckman Coulter and Streck Laboratories.

EMPLOYEES

R&D Systems had 484 full-time and 40 part-time employees as of June 30, 2004. R&D Europe had 50 full-time and 12 part-time employees as of June 30, 2004, including 10 full-time and 1 part-time at R&D Europe's sales subsidiary in Germany.

ENVIRONMENT

Compliance with federal, state and local environmental protection laws in the United States, England and Germany had no material effect on R&D Systems or R&D Europe in fiscal 2004.

FOREIGN AND DOMESTIC OPERATIONS

The following table represents certain financial information relating to foreign and domestic operations for the fiscal years ended June 30 (all amounts are in thousands of US dollars):

	2004	2003	2002
Net Sales to External Customers:			
Hematology Division:			
US	$ 14,797	$ 14,119	$ 13,100
Other	2,681	2,547	2,470
Biotechnology Division:			
US	79,762	73,655	67,857
Other	19,620	17,310	16,798
R&D Europe:			
Other	44,397	37,380	30,675

	$161,257	$145,011	$130,900
Gross Margin:			
R&D Systems (US)	$103,560	$ 93,991	$ 87,558
R&D Europe (England)	18,616	13,151	9,178
R&D GmbH (Germany)	4,194	2,473	1,656
	$126,370	$109,615	$ 98,392
Net Earnings (Loss):			
Parent and R&D Systems (US)	$ 45,479	$ 41,630	$ 24,436
R&D Europe (England)	10,259	6,306	4,324
R&D GmbH (Germany)	1,566	648	225
ChemoCentryx (US)	(2,437)	(2,580)	(1,350)
Discovery Genomics (US)	(1,887)	(608)	(505)
Hemerus (US)	(52)	--	--
	$ 52,928	$ 45,396	$ 27,130
Identifiable Assets:			
Parent and R&D Systems (US)	$275,948	$229,714	$214,606
R&D Europe (England)	44,851	31,472	22,594
R&D GmbH (Germany)	4,661	2,091	1,047
	$325,460	$263,277	$238,247

CAUTIONARY STATEMENTS

The Company wishes to caution investors that the following important factors, among others, in some cases have affected and in the future could affect the Company's actual results of operations and cause such results to differ materially from those anticipated in forward-looking statements made in this document and elsewhere by or on behalf of the Company:

Technological Obsolescence and Competition

The biotechnology industry is subject to rapid and significant technological change. While the hematology controls industry historically has been subject to less rapid change, it too is evolving and is impacted significantly by changes in the automated testing equipment offered by instrument manufacturers. Competitors of the Company in the United States and abroad are numerous and include, among others, specialized biotechnology firms, medical laboratory instrument and equipment manufacturers and disposables suppliers, major pharmaceutical companies, universities and other research institutions. There can be no assurance that the Company's competitors will not succeed in developing technologies and products that are more effective than any which have been or are being developed by the Company or that would render the Company's technologies and products obsolete or noncompetitive. Many of these competitors have substantially greater resources and product development, production and marketing capabilities than the Company. With regard to diagnostic kits, which constitute a relatively minor portion of the Company's business, many of the Company's competitors have significantly greater experience than the Company in undertaking preclinical testing and clinical trials of new or improved diagnostic kits and obtaining FDA and other regulatory approvals of such products.

Research Spending

The Company's biotechnology products are sold primarily to research scientists at pharmaceutical and biotechnology companies and at university and government research institutions. Changes in spending on research by such companies and in funding of such universities and institutions by government, including the National Institutes of Health, affect the revenues and earnings of the Company. The Company's Biotechnology Division carries essentially no backlog of orders and changes in the level of orders received and filled daily can cause fluctuations in quarterly revenues and earnings.

Foreign Currency Exchange Rates

Approximately one quarter of the Company's sales are made through its European subsidiary, R&D Systems Europe, which makes its sales in foreign currencies. The Company's revenues and earnings are, therefore, affected by fluctuations in currency exchange rates.

Patents and Proprietary Rights

The Company's success will depend, in part, on its ability to obtain licenses and patents, maintain trade secret protection and operate without infringing the proprietary rights of others. The Company has filed a very limited number of United States and foreign patent applications for products in which it believes it has a proprietary interest. The Company has obtained and is negotiating licenses to produce a number of cytokines and related products claimed to be owned by others. The Company has not conducted a patent infringement study for each of its products. It is possible that products of the Company may unintentionally infringe patents of third parties or that the Company may have to alter its products or processes, pay licensing fees or cease certain activities because of patent rights of third parties, thereby causing additional unexpected costs and delays which may have a material adverse effect on the Company. The patenting of hematology and biotechnology processes and products involves complex legal and factual questions and, to date, there has emerged no consistent policy regarding the breadth of claims in biotechnology patents. Protracted and costly litigation may be necessary to enforce rights of the Company and defend against claims of infringement of rights of others. See Item 3 Legal Proceedings below.

Financial Impact of Expansion Strategy

The Company engages in an expansion strategy which includes internal development of new products, collaboration with manufacturers of automated instruments which may use the Company's products, investment in joint ventures and companies developing new products related to the Company's business and acquisition of companies for new products or additional customer base. Each of the strategies carries risks that objectives will not be achieved and future earnings will be adversely affected. During the early development stage, under the equity method of accounting, a percentage of the losses of certain companies in which the Company may invest will be reported as losses of the Company. The Company may not have control of the expense levels of such companies and their losses may be greater than those anticipated by the Company. In addition the Company may be required to write off investments if they are determined to be other than temporarily impaired.

Government Regulation

Ongoing research and development activities, including preclinical and clinical testing, and the production and marketing of certain of the Company's products are subject to regulation by numerous governmental authorities in the United States and other countries. Some of the Company's products and manufacturing processes and facilities require governmental approval prior to commercial use. The approval process applicable to clinical diagnostic products of the type which may be developed by the Company may take a year or more. Delays in obtaining regulatory approvals would adversely affect the marketing of products developed by the Company and the Company's ability to receive product revenues or royalties. There can be no assurance that regulatory approvals for such products will be obtained without lengthy delays, if at all.

Attraction and Retention of Key Employees

Recruiting and retaining qualified scientific and production personnel to perform research and development work and product manufacturing are critical to the Company's success. Although the Company believes it has been and will be able to attract and retain such personnel, there can be no assurance that the Company will be successful. In addition, the Company's anticipated growth and expansion into areas and activities requiring additional expertise, such as clinical testing, government approvals, production and marketing, will require the addition of new management personnel and the development of additional expertise by existing management personnel. The failure to attract and retain such personnel or to develop such expertise would adversely affect the Company's business.

INVESTOR INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934 (the "Exchange Act"). Therefore, the Company files periodic reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). Such reports, proxy statements, and other information may be obtained by visiting the Public Reference Room of the SEC at 450 Fifth Street, NW, Washington, DC 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically.

Financial and other information about the Company is available on its website (http://www.techne-corp.com). The Company makes available on its website, copies of its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC.

ITEM 2. PROPERTIES

The Company owns the facilities its R&D Systems subsidiary occupies in Minneapolis, Minnesota. The R&D Systems complex currently includes 365,000 square feet of administrative, research and manufacturing space in three adjoining buildings.

In fiscal 2002, the Company purchased property adjacent to its Minneapolis facility for approximately $8.9 million. The Company has renovated this property and plans to lease out approximately 70% of the 176,000 square foot building as retail and office space and use the remainder as warehouse and storage space. The Company has constructed an infill to connect this building to its current facility. The Company will begin finishing the 78,000 square foot infill, to be used primarily for laboratory space, in fiscal 2005.

The Company has entered into an option agreement for additional real estate adjacent to the current facility. This option is exercisable through January 1, 2005. The Company may negotiate an extension of the option beyond January 1, 2005, but if unable to do so, plans to exercise the option prior to its expiration date.

In fiscal 2002, the Company purchased approximately 649 acres of farmland, including buildings, in southeast Minnesota for $2.7 million. A portion of the land and buildings are being leased to third parties as cropland and for a dairy operation. Rental income from the property was $131,000 and $72,000 in fiscal 2004 and 2003, respectively. The remaining property is used by the Company to house goats used for polyclonal antibody production. In fiscal 2004, the Company constructed additional buildings on this site for $2.3 million.

R&D Europe leases approximately 17,000 square feet in a building in Abingdon, England. Base rent was $446,000 in fiscal 2004.

R&D GmbH leases approximately 2,300 square feet as a sales office in Wiesbaden-Nordenstadt, Germany. Base rent was $39,000 in fiscal 2004.

The Company believes the owned property, purchase option and leased property discussed above are adequate to meet its occupancy needs in the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS

On June 13, 2003, the Company submitted to the U.S. Patent and Trademark Office ("PTO") a "Request for Interference" to initiate an action between the Company and Streck Laboratories, Inc. regarding certain patents issued to Streck. The Streck patents relate to the addition of reticulocytes to hematology controls. The Company has reason to believe that it invented the invention(s) claimed in the Streck patents before Streck and is seeking a

decision by the PTO that the Company is entitled to a patent covering the invention(s) and that the Streck patent is invalid.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of the Company's security holders during the fourth quarter of the Company's 2004 fiscal year.

EXECUTIVE OFFICERS OF THE COMPANY

(a) The names, ages and positions of each executive officer of the Company are as follows:

Name	Age	Position	Officer Since
Thomas E. Oland	63	Chairman of the Board, President, Treasurer, Chief Executive and Chief Financial Officer and Director	1985
Dr. Monica Tsang	59	Vice President, Research	1995
Marcel Veronneau	49	Vice President, Hematology Operations	1995

The term of office of each executive officer is from one annual meeting of directors until the next annual meeting of directors or until a successor is elected. There are no arrangements or understandings among any of the executive officers and any other person (not an officer or director acting as such) pursuant to which any of the executive officers was selected as an officer of the Company.

(b) The business experience of the executive officers during the past five years is as follows:

Thomas E. Oland has been Chairman of the Board, President, Treasurer, Chief Executive and Chief Financial Officer of the Company since December 1985.

Dr. Monica Tsang was elected a Vice President of the Company in March 1995. Prior thereto, she served as Executive Director of Cell Biology for R&D Systems' Biotechnology Division and has been an employee of R&D Systems since 1985.

Marcel Veronneau was elected a Vice President of the Company in March 1995. Prior thereto, he served as Director of Operations for R&D Systems' Hematology Division since joining the Company in 1993.

An additional officer, Dr. James A. Weatherbee, who served as Vice President and Chief Scientific Officer since 1995, is on medical leave. Dr. Weatherbee and Dr. Tsang are husband and wife.

PART II

ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock trades on The NASDAQ Stock Exchange under the symbol "TECH." The following table sets forth for the periods indicated the range of the closing price per share for the Company as reported by NASDAQ.

	Fiscal 2004 Price		Fiscal 2003 Price	
	High	Low	High	Low
1st Quarter	$35.40	$28.11	$32.79	$22.79
2nd Quarter	39.00	32.10	34.75	28.42
3rd Quarter	42.20	37.35	28.99	20.76
4th Quarter	43.45	37.48	31.02	18.95

As of September 10, 2004, there were approximately 320 shareholders of

record. As of September 10, 2004, there were over 23,000 beneficial shareholders of the Company's common stock. TECHNE Corporation has never paid cash dividends on its common stock. Payment of dividends is within the discretion of TECHNE's Board of Directors, although the Board of Directors plans to retain earnings for the foreseeable future for operating the Company's business.

The following table sets forth the repurchases of Company Common Stock for the quarter ended June 30, 2004.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
4/1/04-4/30/04	0	--	0	$6.8 million
5/1/04-5/31/04	0	--	0	$6.8 million
6/1/04-6/30/04	0	--	0	$6.8 million

In May 1995, the Company announced a plan to purchase and retire its Common Stock. Repurchases of $40 million were authorized as follows: May 1995 - $5 million; April 1997 - $5 million; January 2001 - $10 million; October 2002 - $20 million. The plan does not have an expiration date.

ITEM 6. SELECTED FINANCIAL DATA
(Dollars in thousands, except per share data)

June 30,	2004	2003	2002(1)	2001	2000
Revenue, Earnings and Cash Flow Data For the Years Ended					
Net sales	$161,257	$145,011	$130,900	$115,357	$103,838
Gross margin(2)	78.4%	75.6%	75.2%	75.4%	74.2%
Selling, general and administrative expenses(2)	13.5%	13.4%	15.1%	15.1%	16.4%
Research and development expenses (2)	12.9%	14.2%	13.3%	12.6%	10.8%
Operating income(2)	51.0%	46.7%	26.8%	40.0%	37.9%
Earnings before income taxes(2)	51.2%	48.0%	28.8%	41.4%	38.0%
Net earnings(2)	32.8%	31.3%	20.7%	29.5%	25.6%
Return on average equity	19.8%	20.5%	14.1%	21.4%	22.3%
Return on average assets	18.0%	18.1%	12.0%	17.2%	17.5%
Diluted earnings per share	$ 1.27	$ 1.08	$ 0.64	$ 0.80	$ 0.63
Capital expenditures	3,710	15,194	22,276	6,815	30,368
Depreciation and amortization(3)	6,040	6,353	12,688	12,737	12,651
Interest expense	678	974	1,320	1,381	1,441
Net cash provided by operating activities	65,553	54,089	27,667	46,372	38,739

June 30,	2004	2003	2002	2001	2000
Balance Sheet, Common Stock And Employee Data as of					
Cash, cash equivalents and short-term available-for-sale investments	$176,593	$118,763	$ 97,064	$ 97,072	$ 59,824
Receivables	21,099	19,179	19,414	18,322	15,601
Inventories	7,457	6,332	6,077	5,438	4,652
Working capital	197,464	138,707	114,448	108,300	73,740
Total assets	325,460	263,277	238,247	215,525	180,410
Long-term debt, less current portion	14,576	15,852	17,101	18,050	18,935
Stockholders' equity	297,425	236,617	206,517	177,660	141,145
Average common and common equivalent shares (in thousands)	41,697	42,031	42,523	42,668	42,206

Book value per share(4)	$ 7.23	$ 5.78	$ 4.97	$ 4.29	$ 3.41
Share price:					
High	43.45	34.75	37.05	74.00	70.00
Low	28.11	18.95	25.30	22.50	12.38
Price to earnings ratio	34	28	44	41	103
Current ratio	15.67	13.86	8.82	7.81	6.87
Quick ratio	14.69	12.76	7.96	7.26	6.00
Full-time employees	534	525	509	494	440

(1)Fiscal 2002 results include a $17.5 million before tax charge ($11.4 million after tax and $.27 diluted earnings per share) for settlement of litigation with Amgen, Inc.

(2)As a percent of net sales.

(3)The fiscal 2003 decrease in depreciation and amortization was primarily the result of adoption of Statement of Financial Accounting Standards No. 142.

(4)Total stockholders' equity divided by total shares outstanding at June 30.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

TECHNE Corporation (the Company) has two operating subsidiaries: Research and Diagnostic Systems, Inc. (R&D Systems) and R&D Systems Europe Ltd. (R&D Europe). R&D Systems, located in Minneapolis, Minnesota, has two operating segments: its Biotechnology Division and its Hematology Division. The Biotechnology Division develops and manufactures purified cytokines (proteins), antibodies and assay kits which are sold to biomedical researchers and clinical research laboratories. The Hematology Division develops and manufactures whole blood hematology controls and calibrators which are sold to hospitals and clinical laboratories to check the performance of hematology instruments to assure the accuracy of hematology test results. R&D Europe, the Company's third operating segment, located in Abingdon, England, is the European distributor of R&D Systems' biotechnology products. R&D Europe has a sales subsidiary, R&D Systems GmbH, in Germany and a sales office in France.

OVERALL RESULTS

Consolidated net earnings increased 17% for fiscal 2004 as compared to fiscal 2003. The primary reasons for the increase were increased net sales and improved gross margins. Net sales increased 11% from fiscal 2003 and gross margins increased from 76% to 78%. The favorable impact on consolidated net earnings of the strengthening of the British pound as compared to the U.S. dollar for R&D Europe results was $1.1 million for the year ended June 30, 2004.

Consolidated net earnings increased 67% for fiscal 2003 as compared to fiscal 2002. Excluding the litigation settlement discussed below from fiscal 2002 results, consolidated net earnings for fiscal 2003 increased 18%. The increase was due mainly to increased sales (11%) and decreased goodwill amortization of $6.3 million. The favorable impact on consolidated net earnings of exchange rates used to convert R&D Europe results from British pounds to U.S. dollars was $0.6 million for the year ended June 30, 2003.

RESULTS OF OPERATIONS

Net sales (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Hematology Division	$ 17,478	$ 16,666	$ 15,570
Biotechnology Division	99,382	90,965	84,655

R&D Systems Europe	44,397	37,380	30,675
	$161,257	$145,011	$130,900

Net sales for fiscal 2004 were $161.3 million, an increase of $16.2 million (11.2%) from fiscal 2003. The increase in consolidated net sales for the fiscal year was due mainly to the increase in sales of proteins and antibodies ($9.1 million) and immunoassay kits ($5.0 million). R&D Europe's net sales in fiscal 2004 were affected by favorable exchange rates used in converting British pounds to U.S. dollars. The effect of foreign exchange rates on R&D Europe's net sales for fiscal 2004 was an increase of approximately $4.0 million. Excluding the effect of exchange rates, R&D Europe's net sales in British pounds increased 8.0% and consolidated net sales increased 8.4% for fiscal 2004, mainly due to increased sales volume.

Net sales for fiscal 2003 were $145.0 million, an increase of $14.1 million (10.8%) from fiscal 2002. The increase in consolidated net sales for the fiscal year was due largely to an increase in sales of proteins and antibodies ($10.5 million). R&D Europe's net sales for fiscal 2003 were also affected by favorable exchange rates. The effect of foreign exchange rates on R&D Europe's net sales for fiscal 2003 was an increase of $3.4 million. Excluding the effect of exchange rates, R&D Europe's net sales in British pounds increased 10.8% and consolidated net sales increased 8.2%, mainly due to increased sales volume. The Hematology Division net sales increase of 7.0% in fiscal 2003 was higher than historical increases of 3% to 5% as a result of the addition of an incremental new distributor in January 2003.

Gross margins, as a percentage of net sales, were as follows:

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Hematology Division	46.2%	47.2%	45.0%
Biotechnology Division	80.4%	79.0%	79.2%
R&D Systems Europe	51.4%	41.8%	36.1%
Consolidated	78.4%	75.6%	75.2%

The majority of the increase in gross margin percentage in fiscal 2004 was the result of R&D Europe's gross margins increasing from 41.8% to 51.4%. Approximately one-half of this increase was due to favorable exchange rates as a result of a weaker U.S. dollar to the British pound and one-half was due to the expiration, on June 30, 2003, of a five-year, 5% royalty agreement associated with the purchase of Genzyme, Inc.'s reagent business in fiscal 1999. R&D Europe expensed $1.8 million in fiscal 2003 under this agreement. The Biotechnology Division gross margin percentage increase of 1.4% in fiscal 2004, was mainly a result of changes in product/customer mix. The Hematology Division gross margin percentage decrease of 1% in fiscal 2004 was due to changes in customer mix.

Gross margins, as a percentage of net sales, increased slightly in fiscal 2003, mainly as a result of an increase in Hematology Division gross margin percentage and an increase in R&D Europe gross margin percentage. Hematology Division gross margins increased from 45.0% to 47.2% in fiscal 2003 as a result of lower raw material costs. Blood costs increased significantly during fiscal 2002 as a result of a decreased blood supply, but returned to a more normal level by the end of fiscal 2002. R&D Europe gross margins increased from 36.1% to 41.8% in fiscal 2003 mainly as a result of favorable exchange rates due to the weakening of the U.S. dollar to the British pound.

Selling, general and administrative expenses increased $2.3 million (12%) in fiscal 2004 and decreased $422,000 (2%) in fiscal 2003. Selling, general and administrative expenses were as follows (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Hematology Division	$ 1,697	$ 1,507	$ 1,626
Biotechnology Division	11,761	10,825	11,647

R&D Systems, Inc.	13,458	12,332	13,273
R&D Systems Europe	7,194	6,355	5,458
Corporate	1,073	690	1,068
	$21,725	$19,377	$19,799

R&D Systems' selling general and administrative expenses increased $1.1 million in fiscal 2004 and decreased $940,000 in fiscal 2003, mainly as a result of changes in the amount of profit sharing and stock bonus contributions. Profit sharing and stock bonus expense by R&D Systems was $1.8 million, $0.9 million and $2.0 million in fiscal 2004, 2003 and 2002, respectively.

R&D Europe's selling, general and administrative expenses increased $839,000 (13%) and $897,000 (16%) in fiscal 2004 and 2003, respectively. The majority of the increases were the result of the exchange rates to convert expenses from British pounds to U.S. dollars. In British pounds, R&D Europe's selling, general and administrative expenses increased 3% and 6% for fiscal 2004 and 2003, respectively.

Corporate selling, general and administrative expenses increased $383,000 in fiscal 2004 and decreased $378,000 in fiscal 2003. The increase in fiscal 2004 was largely the result of increased consulting fees incurred associated with compliance with Sarbanes-Oxley ($173,000), higher audit and accounting related fees ($78,000) and higher directors' and officers' liability insurance premiums ($100,000). The decrease in fiscal 2003 was a result of a decrease in legal expenses as a result of the settlement of litigation with Amgen, Inc. in fiscal 2002.

Research and development expenses increased $192,000 and $3.1 million in fiscal 2004 and 2003, respectively. Included in research and development expenses are the Company's share of losses by companies in which the Company has invested. Included are losses by ChemoCentryx, Inc. (CCX) through April 2004, losses by Discovery Genomics, Inc. (DGI), and losses by Hemerus Medical, LLC (Hemerus) beginning in January 2004. Research and development expenses are composed of the following (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Hematology Division	$ 781	$ 770	$ 735
Biotechnology Division	17,139	16,623	14,880
R&D Systems, Inc.	17,920	17,393	15,615
ChemoCentryx, Inc. losses	2,437	2,580	1,350
Discovery Genomics, Inc. losses	364	608	505
Hemerus Medical. LLC losses	52	--	--
	$20,773	$20,581	$17,470

The Company's net investment in CCX at June 30, 2004 was $5.1 million. As a development stage company, CCX is dependent on its ability to raise additional funds to continue its research and development efforts. If such funding were unavailable or inadequate to fund operations, the Company would potentially recognize an impairment loss to the extent of its remaining net investment.

In May and June 2004, CCX obtained $38.1 million in additional financing through the issuance of additional preferred stock, including a $5.1 additional investment by the Company. After the financing the Company holds a 19.9% equity interest in CCX. The Company then evaluated the cost versus equity method of accounting for its investment in CCX and determined that it does not have the ability to exercise significant influence over the operating and financial policies of CCX and therefore, after April 2004, accounted for its investment on a cost basis.

During the fourth quarter of fiscal 2004, the Company determined that its investment in DGI was other than temporarily impaired and wrote off the

remaining net investment of $1.5 million.

The Company's net investment in Hemerus at June 30, 2004 was $2.9 million. Hemerus' success is dependent in part, upon receiving FDA clearance to market its products. If such clearance is not received, the Company would potentially recognize an impairment loss to the extent of its remaining net investment.

Excluding CCX, DGI and Hemerus losses, research and development expenses by the Company increased $527,000 and $1.8 million in fiscal 2004 and 2003, respectively. These increases were primarily the result of the development and release of new cytokines, antibodies and assay kits by R&D Systems' Biotechnology Division. The increase in fiscal 2003 was largely the result of the addition of approximately ten full-time equivalent research positions from the prior year. In fiscal 2004, the Biotechnology Division increased the number of research positions only slightly, but plans on adding up to fifteen positions in fiscal 2005.

Amortizaton of intangible assets. On July 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS, under which goodwill is no longer amortized. Goodwill amortization expense was $6.3 million in fiscal 2002. As of June 30, 2002 the Company had net unamortized goodwill of $12.5 million. The Company assessed the recoverability of its goodwill and other intangible assets as of July 1, 2002 (adoption) and determined that no impairment existed. The Company completed its annual impairment testing of goodwill and concluded that no impairment existed as of June 30, 2003 and 2004. The Company used discounted cash flow and other fair value methodologies to assess impairment.

The pro forma effects of implementation of SFAS No. 142 to fiscal 2002 would be as follows (in thousands, except per share data):

	YEAR ENDED JUNE 30, 2002
Reported net income	$27,130
Goodwill amortization, net of tax	4,076
Adjusted net income	$31,206
Reported basic earnings per share	$ 0.65
Goodwill amortization	0.10
Adjusted basic earnings per share	$ 0.75
Reported diluted earnings per share	$ 0.64
Goodwill amortization	0.09
Adjusted diluted earnings per share	$ 0.73

Litigation settlement. In fiscal 2002, the Company recorded a $17.5 million charge as a result of a litigation settlement. In fiscal 2000, Amgen, Inc. had 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. In May 2002, the parties agreed to a $17.5 million cash settlement of the dispute. The settlement was paid in June 2002 with cash on hand and the liquidation of approximately $15 million of short-term available-for-sale investments. The after-tax amount of the charge to the Company's fiscal 2002 results was approximately $11.4 million or $.27 per diluted share. Excluding the settlement, earnings per diluted share would have been $.91 for fiscal 2002.

Other non-operating expense (income) consists of foreign currency transaction gains, rental income, and real estate and utility expenses related to currently unoccupied property as follows (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Foreign currency gains	$(64)	$(356)	$ (352)
Rental income	(131)	(72)	--
Real estate taxes/utilities	977	550	107

$782	$ 122	$ (245)

Income taxes for fiscal 2004, 2003 and 2002 were provided at rates of approximately 36%, 35% and 28%, respectively. The increased tax rate in fiscal 2003 was primarily the result of changes in Minnesota income tax regulations which resulted in state tax expense of $666,000 ($1,552,000 expense offset by $886,000 of tax credit carryforwards) in fiscal 2003 compared to a credit of $1 million in fiscal 2002. U.S. taxes have been reduced as a result of federal tax-exempt interest income, the federal benefit of extraterritorial income and the federal and state credit for research and development expenditures. Foreign income taxes have been provided at rates which approximate the tax rates in the countries in which R&D Europe operates. Without significant business developments, the Company expects income tax rates for fiscal 2005 to be 35% to 36%.

QUARTERLY FINANCIAL INFORMATION
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL 2004				FISCAL 2003			
	FIRST QTR.	SECOND QTR.	THIRD QTR.	FOURTH QTR.	FIRST QTR.	SECOND QTR.	THIRD QTR.	FOURTH QTR.
Net sales	$37,993	$38,264	$42,542	$42,459	$34,548	$33,300	$37,737	$39,426
Gross margin	29,330	29,823	33,595	33,621	25,858	24,929	28,980	29,847
Earnings before taxes	19,357	19,025	22,928	21,231	15,907	14,988	19,118	19,543
Income taxes	6,785	6,655	8,309	7,864	5,462	5,107	6,724	6,866
Net earnings	12,572	12,370	14,619	13,367	10,445	9,881	12,394	12,677
Basic earnings per share	0.31	0.30	0.36	0.33	0.25	0.24	0.30	0.31
Diluted earnings per share	0.30	0.30	0.35	0.32	0.25	0.23	0.30	0.31

LIQUIDITY AND CAPITAL RESOURCES

Cash, cash equivalents and short-term available-for-sale investments at June 30, 2004 were $176.6 million compared to $118.8 million at June 30, 2003. At June 30, 2002, cash, equivalents and short-term available-for-sale investments were $97.1 million. The Company has an unsecured line of credit of $750,000 available at June 30, 2004. The line of credit expires on October 31, 2004. The interest rate on the line of credit is at the prime rate (4.0% at June 30, 2004). There were no borrowings on the line in the current or prior fiscal year.

Management of the Company expects to be able to meet its foreseeable future cash and working capital requirements for operations, debt repayment, facility expansion and capital additions through currently available funds, cash generated from operations and maturities of short-term available-for-sale investments.

Cash flows from operating activities. The Company generated cash from operations of $65.6 million, $54.1 million and $27.7 million in fiscal 2004, 2003 and 2002, respectively. The increase in cash generated from operating activities in fiscal 2004 of $11.5 million was the result of increased net earnings and a $1.1 million decrease in trade and other accounts payable compared to a $6.1 million decrease in fiscal 2003. These changes were partially offset by a $3.3 million increase in income taxes payable compared to a $6.5 million increase in fiscal 2003. Net earnings in fiscal 2004 increased $9.1 million before the $1.5 million impairment loss on the write-off of the Company's investment in DGI, which did not affect the Company's cash balances. The $6.1 million decrease in trade and other accounts payable in fiscal 2003 was mainly the result of $3.8 million less in royalties payable to Genzyme, Inc. stemming from the fiscal 1999 acquisition of Genzyme's research product business under which royalties were due through fiscal 2003. The $2.8 million change in income taxes payable between fiscal 2003 and fiscal 2004 was due to higher U.S. taxable income in fiscal 2004 ($4 million increase in income taxes

payable compared to fiscal 2003) offset by higher U.S. income tax payments in fiscal 2004 ($7.5 million more than made in fiscal 2003).

The increase in cash generated from operating activities in fiscal 2003 of $26.4 million was the result of increased net earnings, increased losses by equity method investees and a $6.5 million increase in income taxes payable compared to a $4.4 million decrease in fiscal 2002. These changes were partially offset by decreased goodwill amortization and a $6.1 million decrease in trade and other accounts payable compared to a $2.8 million decrease in fiscal 2002. Net earnings increased approximately $18.3 million from fiscal 2002 to fiscal 2003 while losses by equity method investees, which do not affect the Company's cash balances, increased $1.3 million from fiscal 2002. The change in income taxes payable of $10.9 million was mainly the result of higher U.S. taxable income in fiscal 2003 ($3.9 million increase in U.S. income taxes payable compared to fiscal 2002) and lower income tax payments made in fiscal 2003 ($5.1 less than made in fiscal 2002). Goodwill amortization decreased $6.3 million in fiscal 2003 as a result of adoption of Statement of Financial Accounting Standards No. 142.

Cash flows from investing activities. Capital additions consist of the following (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Laboratory, manufacturing, and computer equipment	$ 1,127	$ 977	$ 2,124
Building improvements (Minneapolis)	--	202	522
Construction/property purchase (southeast Minnesota)	2,330	2,705	--
Property purchase (Minneapolis)	--	--	6,015
Renovation/construction (Minneapolis)	253	11,310	13,615
	$ 3,710	$15,194	$22,276

The Company acquired property in southeast Minnesota in fiscal 2003 and, in fiscal 2004 constructed additional facilities at this site to house

goats used in the production of its antibodies. The renovation/construction costs in fiscal 2004, 2003 and 2002 were for renovation of the Minneapolis property purchased in fiscal 2002, construction of an infill connecting the purchased property to R&D Systems' existing property and construction of a parking ramp. The land and building purchases and construction were all financed through cash on hand, cash generated from operations and maturities of short-term available-for-sale investments. Costs to finish the infill are estimated at $8 million and are expected to be completed in late fiscal 2005 or early 2006. All construction is expected to be financed through currently available funds and cash generated from operating activities.

Capital additions for laboratory, manufacturing and computer equipment planned for fiscal 2005 are expected to be approximately $2.0 million and are expected to be financed through currently available cash and cash generated from operations.

The Company's net purchases of (proceeds from) short-term available-for-sale investments in fiscal 2004, 2003 and 2002 was $47.3 million, $6.5 million and ($5.1) million, respectively. The Company's investment policy is to place excess cash in municipal and corporate bonds with the objective of obtaining the highest possible return with the lowest risk, while keeping funds accessible.

In January 2004, the Company purchased a 10% interest in Hemerus Medical, LLC (Hemerus) for $3 million. Hemerus was formed in March 2001 and has acquired and is developing technology for the separation of leukocytes from blood and blood components. The Company accounts for its investment in Hemerus under the equity method of accounting. The Company's net investment in Hemerus, was $2.9 million at June 30, 2004.

In May and June, 2004, the Company made additional investments totaling

$5.1 million in ChemoCentryx, Inc. (CCX), a technology and drug development company. After the additional investment, the Company holds a 19.9% equity interest in CCX and will account for the investment under the cost method of accounting as discussed previously. The Company's net investment in CCX was $5.1 million and $2.5 million at June 30, 2004 and 2003, respectively.

In fiscal 2002, the Company made an equity investment of $3 million in Discovery Genomics, Inc. (DGI). DGI holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of drug targets. The Company holds a 38% equity interest in DGI and accounts for this investment under the equity method of accounting. During the fourth quarter of fiscal 2004, the Company determined that its investment in DGI was other than temporarily impaired and wrote off the remaining net investment of $1.5 million. The Company's net investment in DGI was $1.9 million at June 30, 2003.

The Company paid $2.0 million in March 2002 as a nonrefundable deposit on an option, which expires on January 1, 2005, to purchase additional property adjacent to its Minneapolis facility. The Company may negotiate an extension of the option beyond January 1, 2005, but if unable to do so, plans to exercise the option prior to its expiration date.

Cash flows from financing activities. The Company received $4.1 million, $2.4 million and $332,000 for the exercise of options for 241,000, 265,000 and 87,000 shares of common stock in fiscal 2004, 2003 and 2002, respectively.

In fiscal 2003 and 2002, the Company purchased and retired 1,027,000 and 30,000 shares of Company common stock at market values of $22.5 million and $745,000, respectively. In May 1995, the Company announced a plan to purchase and retire its common stock. Since May 1995, the Board of Directors has authorized the purchase of $40 million of common stock. Through June 30, 2004, $33.2 million of common stock had been purchased under the plan. Any additional purchases will be funded from currently available cash.

The Company has never paid cash dividends and currently has no plans to do so in fiscal 2005. The Company's net earnings will be retained for reinvestment in the business.

CONTRACTUAL OBLIGATIONS

The following table summarizes the Company's contractual obligations and commercial commitments as of June 30, 2004 (in thousands):

	PAYMENTS DUE BY PERIOD				
	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	4-5 YEARS	AFTER 5 YEARS
Long-term debt	$15,857	$ 1,281	$ 2,723	$ 2,951	$ 8,902
Operating leases	6,112	621	1,188	1,061	3,242
Minimum royalty payments	125	125	--	--	--
	$22,094	$ 2,027	$ 3,911	$ 4,012	$12,144

OFF-BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet transactions, arrangements or obligations that have, or are reasonably likely to have, a material effect on the Company's financial condition, changes in the financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

CRITICAL ACCOUNTING POLICIES

Management's discussion and analysis of the Company's financial condition and results of operations are based upon the Company's consolidated financial

statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company has identified the policies outlined below as critical to its business operations and an understanding of results of operations. The listing is not intended to be a comprehensive list of all accounting policies.

Valuation of accounts receivable. The Company performs ongoing credit evaluations of its customers and adjusts credit limits based upon payment history and the customers' current creditworthiness, as determined by management's review of their current credit information. The Company continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon the Company's historical experience and any specific customer collection issues that have been identified. While such credit losses have historically been within the Company's established provisions, if the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Gross trade receivables totaled $20.5 million and the allowance for doubtful accounts was $233,000 at June 30, 2004.

Valuation of inventory. Inventories are valued at the lower of cost (first-in, first-out method) or market. The Company regularly reviews inventories on hand for slow-moving and obsolete inventory, inventory not meeting quality control standards and inventory subject to expiration. The manufacturing process for proteins and antibodies has and may continue to produce quantities in excess of forecasted usage. Individual protein and antibody sales volumes can be volatile and the Company believes that forecasting sales volumes for individual products beyond a two-year period is highly uncertain. As a result, the Company values its manufactured protein and antibody inventory based on a two-year sales forecast. Any significant unanticipated changes in product demand or market conditions could have an impact on the value of inventories and the change in value would be reflected in cost of sales in the period of the change. Inventories of proteins and antibodies in excess of the two-year sales forecast were $8.6 million at June 30, 2004.

Valuation of goodwill. The Company is required to perform an annual review for impairment of goodwill in accordance with Statement of Financial Accounting Standards No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS. Goodwill is considered to be impaired if it is determined that the carrying value of the reporting unit exceeds its fair value. Assessing the impairment of goodwill requires the Company to make judgments regarding the fair value of the net assets of its reporting units and the allocation of the carrying value of shared assets to the reporting units. The Company's annual assessment included comparison of the carrying value of the net assets of the Biotechnology Division to its share of the Company's market capitalization at June 30, 2004. A significant change in the Company's market capitalization or in the carrying value of net assets of the Biotechnology Division could result in an impairment charge in future periods. Goodwill at June 30, 2004 was $12.5 million.

Valuation of intangible and other long-lived assets. The Company periodically assesses the impairment of intangible and other long-lived assets which requires it to make assumptions and judgments regarding the fair value of these asset groups. Asset groups are considered to be impaired if their carrying value exceeds the asset groups' ability to continue to generate income from operations and positive cash flow in future periods. If asset groups are considered impaired, the amount by which the carrying value exceeds its fair value would be written off as an impairment loss. Intangible assets and other long-lived assets at June 30, 2004, were $2.8 million and $2.3 million, respectively.

Valuation of investments. The Company has made equity investments in several start-up and early development stage companies, among them CCX, DGI and Hemerus. The accounting treatment of each investment (cost method or equity method) is dependent upon a number of factors, including, but not limited to, the Company's share in the equity of the investee and the Company's ability to exercise significant influence over the operating and financial policies of the investee. In determining which accounting treatment to apply, the Company must make judgments based upon the quantitative and qualitative aspects of the investment.

The Company periodically assesses its equity investments for impairment. Development stage companies, of the type the Company has invested in, are dependent on their ability to raise additional funds to continue research and development efforts and on receiving patent protection and/or FDA clearance to market their products. If such funding were unavailable or inadequate to fund operations or if patent protection or FDA clearance were not received, the Company would potentially recognize an impairment loss to the extent of its remaining net investment. The Company's net investment at June 30, 2004 in CCX and Hemerus were $5.1 million and $2.9 million, respectively. During the fourth quarter of fiscal 2004, the Company determined that its investment in DGI was other than temporarily impaired and wrote off the remaining net investment of $1.5 million.

Income taxes. The Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended period of time to resolve. The Company has received an audit assessment of $1.75 million, plus interest, from the State of Minnesota for fiscal years 2000 to 2003. The Company has filed an appeal with the Minnesota Department of Revenue for abatement of the assessment. The Company believes that the ultimate resolution of the matter will not materially affect the consolidated financial position or operations of the Company. In management's opinion, adequate provisions for income taxes have been made for all years presented.

Assessment of claims or pending litigation. The Company is routinely subject to claims and involved in legal actions which are incidental to the business of the Company. Although it is difficult to predict the ultimate outcome of these matters, management believes that any ultimate liability will not materially affect the consolidated financial position or results of operations of the Company. As additional information becomes available, the Company will assess the potential liabilities related to claims or pending litigation and revise estimates as needed. Such revisions could materially impact the Company's consolidated financial position or results of operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In January 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46 (FIN 46), CONSOLIDATION OF VARIABLE INTEREST ENTITIES. FIN 46 addresses the consolidation by businesses of variable interest entities and requires businesses to consolidate a variable interest entity if it has a variable interest that will absorb a majority of the entity's expected losses if they occur, or receive a majority of the entity's expected returns if they occur, or both. FIN 46 is effective for variable interest entities created after January 31, 2003. For variable interest entities created prior to January 31, 2003, the provisions of FIN 46 were applicable to the Company for the quarter ended December 31, 2003. The Company assessed its relationships with ChemoCentryx, Inc. (CCX) and Discovery Genomics, Inc. (DGI) and determined that neither

investment was required to be consolidated in the Company's financial statements pursuant to FIN 46. In December 2003, the FASB revised FIN 46. The Company was required to follow the revised FIN 46 guidance effective for the quarter ended March 31, 2004. The Company determined that none of the Company's investments in CCX, DGI and the January 2004 investment in Hemerus Medical, LLC, are required to be consolidated in the Company's financial statements pursuant to the revised FIN 46.

In May 2003, the FASB issued Statement of Financial Accounting Standard No. 150, ACCOUNTING FOR CERTAIN FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF

BOTH LIABILITIES AND EQUITY, which established standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both debt and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances) because that financial instrument embodies an obligation of the issuer. For example, the Statement requires liability classification for a financial instrument issued in the form of shares that are mandatorily redeemable, e.g., includes an unconditional obligation requiring the issuer to redeem it by transferring at a specified or determinable date or dates or upon an event certain to occur. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company has adopted SFAS No. 150 and it did not have a significant impact on the Company's financial statements.

MARKET RISK

At the end of fiscal 2004, the Company had an independently managed investment portfolio of fixed income securities, excluding those classified as cash and cash equivalents, of $125.4 million (see Note A of Notes to Consolidated Financial Statements). These securities, like all fixed income instruments, are subject to interest rate risk and will decline in value if market interest rates increase.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency rate changes. The Company is exposed to market risk from foreign exchange rate fluctuations of the euro and the British pound to the U.S. dollar as the financial position and operating results of the Company's U.K. and German subsidiaries are translated into U.S. dollars for consolidation. At the current level of R&D Europe operating results, a 10% increase or decrease in the average exchange rate used to translate operating results into U.S. dollars would have an approximate $1.1 million effect on consolidated operating income annually.

The Company's exposure to foreign exchange rate fluctuations also arises from transferring funds from the U.K. subsidiary to the U.S. subsidiary and from transferring funds from the German subsidiary and French sales office to the U.K. subsidiary. At June 30, 2004 and 2003, the Company had $119,000 and $358,000 dollar denominated intercompany debt at its U.K. subsidiary and the U.K. subsidiary had $93,000 and $295,000 dollar denominated intercompany debt from its European operations. These intercompany balances are revolving in nature and are not deemed to be long-term balances. The Company's U.K. subsidiary recognized net foreign currency gains of (British Pound)36,000 ($64,000), (British Pound)224,000 ($356,000) and (British Pound)243,000 ($352,000) for the years ended June 30, 2004, 2003 and 2002, respectively. 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.

As of June 30, 2004, the Company's long-term debt consisted of a mortgage note payable. The interest rate on the mortgage was fixed at 7% through November 2002. The terms of the note payable were modified in December 2002 to include a floating interest rate at the one month London interbank offered rate (Libor) plus 2.5% with a floor of 4%. The floating interest rate on the mortgage note payable was below the 4% floor as of June 30, 2004.

FORWARD-LOOKING INFORMATION

Statements in this Annual Report, and elsewhere, that are forward-looking involve risks and uncertainties which may affect the Company's actual results of operations. Certain of these risks and uncertainties which have affected and, in the future, could affect the Company's actual results are discussed below.

The Company's biotechnology products are sold primarily to research scientists at pharmaceutical and biotechnology companies and at university and

government research institutions. Changes in spending on research by such

companies and in funding of such universities and institutions by government, including the National Institutes of Health, affects the revenues and earnings of the Company. The Company carries essentially no backlog of orders and changes in the level of orders received and filled daily can cause fluctuations in quarterly revenues and earnings.

Approximately one quarter of the Company's sales are made through its European subsidiary, R&D Systems Europe, which makes its sales in foreign currencies. The Company's revenues and earnings are, therefore, affected by fluctuations in currency exchange rates.

The biotechnology industry is subject to rapid and significant technological change. While the hematology controls industry historically has been less subject to rapid change, it too is evolving and is impacted significantly by changes in the automated testing equipment offered by instrument manufacturers. Competitors of the Company are numerous and include, among others, specialized biotechnology firms, medical laboratory instrument and equipment manufacturers and disposables suppliers, major pharmaceutical companies, universities and other research institutions. There can be no assurance that the Company's competitors will not succeed in developing technologies and products that are more effective than any which have been or are being developed by the Company or that would render the Company's technologies and products obsolete or noncompetitive.

The Company's success will depend, in part, on its ability to obtain licenses and patents, maintain trade secret protection and operate without infringing the proprietary rights of others. The Company has obtained and is negotiating licenses to produce a number of cytokines and related products claimed to be owned by others. Since the Company has not conducted a patent infringement study for each of its products, it is possible that products of the Company may unintentionally infringe patents of third parties or that the Company may have to alter its products or processes, pay licensing fees or cease certain activities because of patent rights of third parties, thereby causing additional unexpected costs and delays which may have a material adverse effect on the Company.

The Company's expansion strategies, which include internal development of new products, collaborations, investments in joint ventures and companies developing new products related to the Company's business, and the acquisition of companies for new products and additional customer base, carry risks that objectives will not be achieved and future earnings will be adversely affected. Under the equity method of accounting, a percentage of the losses of certain companies in which the Company invests will be reported as losses of the Company. The Company may not have control of the expense levels of such companies and their losses may be greater than those anticipated by the Company. Additionally, if the Company determines that its investment in such companies is "other than temporarily" impaired, the Company may write off its entire investment in such company.

Ongoing research and development activities and the production and marketing of certain of the Company's products are subject to regulation by numerous governmental authorities in the United States and other countries. The approval process applicable to clinical diagnostic products of the type that may be developed by the Company may take a year or more. Delays in obtaining approvals could adversely affect the marketing of new products developed by the Company.

Recruiting and retaining qualified scientific and production personnel to perform research and development work and product manufacturing are critical to the Company's success. The Company's anticipated growth and its expected expansion into areas and activities requiring additional expertise will require the addition of new personnel and the development of additional expertise by existing personnel. The failure to attract and retain such personnel could adversely affect the Company's business.

For additional information on risks and uncertainties, see the Company's periodic reports filed with the Securities and Exchange Commission.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See discussion under "Market Risk" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED STATEMENTS OF EARNINGS
TECHNE CORPORATION AND SUBSIDIARIES
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Net sales	$161,257	$145,011	$130,900
Cost of sales	34,887	35,396	32,508
Gross margin	126,370	109,615	98,392
Operating expenses:			
Selling, general and administrative	21,725	19,377	19,799
Research and development	20,773	20,581	17,470
Amortization of intangible assets (Note D)	1,599	1,939	8,549
Litigation settlement (Note F)	--	--	17,500
Total operating expenses	44,097	41,897	63,318
Operating income	82,273	67,718	35,074
Other expense (income):			
Interest expense	678	974	1,320
Interest income	(3,251)	(2,933)	(3,737)
Impairment loss on equity investment (Note A)	1,523	--	--
Other non-operating expense (income), net	782	122	(245)
Total other expense (income)	(268)	(1,837)	(2,662)
Earnings before income taxes	82,541	69,555	37,736
Income taxes (Note H)	29,613	24,159	10,606
Net earnings	$ 52,928	$ 45,396	$ 27,130
Earnings per share:			
Basic	$ 1.29	$ 1.10	$ 0.65
Diluted	$ 1.27	$ 1.08	$ 0.64
Weighted average common shares outstanding:			
Basic	41,046	41,237	41,508
Diluted	41,697	42,031	42,523

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS
TECHNE CORPORATION AND SUBSIDIARIES
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	JUNE 30,	
	2004	2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 51,201	$ 39,371
Short-term available-for-sale investments (Note A)	125,392	79,392
Trade accounts receivable, less allowance for doubtful accounts of $233 and $268, respectively	20,262	18,387
Interest receivable on short-term available-for-sale investments	837	792
Inventories (Note B)	7,457	6,332
Deferred income taxes (Note H)	4,820	4,237
Prepaid expenses	954	1,004

Total current assets	210,923	149,515
Property and equipment, net (Note C)	80,504	81,166
Goodwill, net (Note D)	12,540	12,540
Intangible assets, net (Note D)	2,819	4,418
Deferred income taxes (Note H)	7,843	8,715
Investments (Note A)	8,484	4,398
Other long-lived assets (Note F)	2,347	2,525
	$325,460	$263,277
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	$ 2,695	$ 2,216
Salaries, wages and related accounts	3,416	1,781
Other accounts payable and accrued expenses	1,152	2,605
Income taxes payable	4,915	2,972
Current portion of long-term debt (Note E)	1,281	1,234
Total current liabilities	13,459	10,808
Long-term debt, less current portion (Note E)	14,576	15,852
Total liabilities	28,035	26,660
Commitments and contingencies (Notes F and H)		
Stockholders' equity (Note G):		
Undesignated capital stock, no par; authorized 5,000,000 shares; none issued or outstanding	--	--
Common stock, par value $.01 a share; authorized 100,000,000 shares; issued and outstanding 41,154,922 and 40,913,226 shares, respectively	412	409
Additional paid-in capital	68,960	63,279
Retained earnings	222,728	169,809
Accumulated other comprehensive income	5,325	3,120
Total stockholders' equity	297,425	236,617
	$325,460	$263,277

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
TECHNE CORPORATION AND SUBSIDIARIES
(IN THOUSANDS)

<TABLE>
<CAPTION>

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUM. OTHER COMPRE-HENSIVE INCOME (LOSS)	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balances at June 30, 2001	41,432	$414	$57,383	$121,209	$ (1,346)	$177,660
Comprehensive income:						
Net earnings	--	--	--	27,130	--	27,130
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	--	--	--	--	1,494	1,494
Comprehensive income						28,624
Common stock issued for exercise of options (Note G)	167	2	555	--	--	557
Surrender and retirement of stock to exercise options						

(Note L)	(7)	(0)	--	(225)	--	(225)
Repurchase and retirement of common stock	(30)	0	--	(745)	--	(745)
Tax benefit from exercise of stock options	--	--	646	--	--	646
Balances at June 30, 2002	41,562	416	58,584	147,369	148	206,517
Comprehensive income:						
Net earnings	--	--	--	45,396	--	45,396
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	--	--	--	--	2,028	2,028
Unrealized gains on available-for-sale investments	--	--	--	--	944	944
Comprehensive income						48,368
Common stock issued for exercise of options (Note G)	392	4	2,893	--	--	2,897
Surrender and retirement of stock to exercise options (Note L)	(14)	(0)	--	(454)	--	(454)
Repurchase and retirement of common stock	(1,027)	(11)	--	(22,502)	--	(22,513)
Tax benefit from exercise of stock options	--	--	1,802	--	--	1,802
Balances at June 30, 2003	40,913	409	63,279	169,809	3,120	236,617
Comprehensive income:						
Net earnings	--	--	--	52,928	--	52,928
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	--	--	--	--	3,271	3,271
Unrealized losses on available-for-sale investments	--	--	--	--	(1,066)	(1,066)
Comprehensive income						55,133
Common stock issued for exercise of options (Note G)	242	3	4,094	--	--	4,097
Surrender and retirement of stock to exercise options (Note L)	(0)	(0)	--	(9)	--	(9)
Tax benefit from exercise of stock options	--	--	1,587	--	--	1,587
Balances at June 30, 2004	41,155	$412	$68,960	$222,728	$ 5,325	$297,425

</TABLE>

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (NOTE L)
TECHNE CORPORATION AND SUBSIDIARIES
(IN THOUSANDS)

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Cash flows from operating activities:			
Net earnings	$ 52,928	$ 45,396	$ 27,130
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	6,040	6,353	12,688
Deferred income taxes	317	232	(6,292)

Losses by equity method investees	2,853	3,188	1,855
Impairment loss on equity investment	1,523	--	--
Other	335	539	590
Change in operating assets and operating liabilities:			
Trade accounts and interest receivable	(1,170)	(638)	(855)
Inventories	(1,017)	(173)	(560)
Prepaid expenses	(119)	(62)	(210)
Trade and other accounts payable	(1,069)	(6,082)	(2,830)
Salaries, wages and related accounts	1,614	(1,116)	553
Income taxes payable/receivable	3,318	6,452	(4,402)
Net cash provided by operating activities	65,553	54,089	27,667
Cash flows from investing activities:			
Additions to property and equipment	(3,710)	(15,194)	(22,276)
Purchase of short-term available-for-sale investments	(144,230)	(64,560)	(64,680)
Proceeds from maturities of short-term available-for-sale investments	96,895	58,045	69,812
Real estate deposits	--	--	(1,999)
Increase in investments	(8,462)	--	(3,000)
Increase in other long-term assets	--	--	(259)
Net cash used in investing activities	(59,507)	(21,709)	(22,402)
Cash flows from financing activities:			
Issuance of common stock	4,088	2,443	332
Repurchase of common stock	--	(22,513)	(745)
Payments on long-term debt	(1,229)	(964)	(885)
Net cash provided by (used in) financing activities	2,859	(21,034)	(1,298)
Effect of exchange rate changes on cash and cash equivalents	2,925	1,633	1,157
Net increase in cash and cash equivalents	11,830	12,979	5,124
Cash and cash equivalents at beginning of year	39,371	26,392	21,268
Cash and cash equivalents at end of year	$ 51,201	$ 39,371	$ 26,392

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
TECHNE CORPORATION AND SUBSIDIARIES

Years Ended June 30, 2004, 2003 and 2002

A. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF BUSINESS: TECHNE Corporation and Subsidiaries (the Company) are engaged domestically in the development and manufacture of biotechnology products and hematology calibrators and controls. These activities are primarily conducted through its wholly-owned subsidiary, Research and Diagnostic (R&D) Systems, Inc. Through its wholly-owned U.K. subsidiary, R&D Systems Europe Ltd., the Company distributes biotechnology products throughout Europe. R&D Systems Europe Ltd. has a sales subsidiary, R&D Systems GmbH, in Germany and a sales office in France.

ESTIMATES: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RISK AND UNCERTAINTIES: There are no concentrations of business transacted with a particular customer or supplier nor concentrations of revenue from a particular product or geographic area that would severely impact the Company in the near term.

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated.

TRANSLATION OF FOREIGN FINANCIAL STATEMENTS: Assets and liabilities of the Company's foreign operations are translated at year-end rates of exchange and the foreign statements of earnings are translated at the average rate of exchange for the year. Gains and losses resulting from translating foreign currency financial statements are not included in operations but are accumulated in other comprehensive income. Foreign currency transaction gains and losses are included in operations.

REVENUE RECOGNITION: The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable and collectibility is reasonably assured. Payment terms for shipments to end-users are net 30 days. Payment terms for distributor shipments may range from 30 to 90 days. Products are shipped FOB shipping point. Freight charges billed to end-users are included in net sales and freight costs are included in cost of sales. Freight charges on shipments to distributors are paid directly by the distributor. Any claims for credit or return of goods must be made within 10 days of receipt. Revenues are reduced to reflect estimated credits and returns.

RESEARCH AND DEVELOPMENT: Research and development expenditures are expensed as incurred. Development activities generally relate to creating new products, improving or creating variations of existing products, or modifying existing products to meet new applications. Included in research and development expense is the Company's share of losses by development stage companies in which it has invested due to the Company obtaining research market rights to products developed by the investee companies. (See INVESTMENTS below).

ADVERTISING COSTS: Advertising expenses (including production and communication costs) for fiscal 2004, 2003 and 2002 were $2.6 million, $2.5 million and $2.4 million, respectively. The Company expenses advertising expenses as incurred.

INCOME TAXES: The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized to record the income tax effect of temporary differences between the tax basis and financial reporting basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

CASH AND EQUIVALENTS: Cash and cash equivalents include cash on hand and highly-liquid investments with original maturities of three months or less.

SHORT-TERM INVESTMENTS: Short-term investments consist of debt instruments with original maturities of generally greater than three months to three years. The Company considers all of its marketable securities available-for-sale and reports them at fair market value. Fair market values are based on quoted market prices. Unrealized gains and losses on available-for-sale securities are excluded from income, but are included in other comprehensive income. If an "other than temporary" impairment is determined to exist, the difference between the value of the investment security recorded in the financial statements and the Company's current estimate of the fair value is recognized as a charge to earnings in the period in which the impairment is determined.

At June 30, 2004 and 2003, the amortized cost and market value of the Company's available-for-sale securities by major security type were as follows (in thousands):

	JUNE 30,	
	2004	2003

	Cost	Market	Cost	Market
State and municipal securities	$124,014	$123,893	$78,448	$79,392
Corporate securities	1,500	1,499	--	--
	125,514	125,392	78,448	79,392
Unrealized (losses) gains	(122)	--	944	--
	$125,392	$125,392	$79,392	$79,392

Contractual maturities of available-for-sale securities are shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to recall or prepay obligations with or without call or prepayment penalties.

YEAR ENDING JUNE 30:	
Due within one year	$ 41,663
Due in one to three years	83,729
	$125,392

Proceeds from maturities of available-for-sale securities were $96.9 million, $58.0 million and $69.8 million during fiscal 2004, 2003 and 2002, respectively. There were no material gross realized gains or losses on these sales. Realized gains and losses are determined on the specific identification method.

INVENTORIES: Inventories are stated at the lower of cost (first-in, first-out method) or market. The Company regularly reviews inventory on hand for slow-moving and obsolete inventory, inventory not meeting quality control standards and inventory subject to expiration. The manufacturing process for proteins and antibodies has and may continue to produce quantities in excess of forecasted usage. Individual protein and antibody sales volumes can be volatile and the Company believes that forecasting sales volumes for individual products beyond a two-year period is highly uncertain. As a result, the Company values its manufactured protein and antibody inventory based on a two-year sales forecast.

DEPRECIATION AND AMORTIZATION: Equipment is depreciated using the straight-line method over an estimated useful life of five years. Buildings, building improvements and leasehold improvements are amortized over estimated useful lives of five to forty years.

GOODWILL AND INTANGIBLE ASSETS: At June 30, 2004 the Company had net unamortized goodwill of $12.5 million. The Company completed its annual impairment testing of goodwill and concluded that no impairment existed as of June 30, 2004. The Company used discounted cash flow and other fair value methodologies to assess impairment. Other intangible assets are being amortized over their estimated useful lives. (See Note D.)

IMPAIRMENT OF INTANGIBLE AND OTHER LONG-LIVED ASSETS: Management periodically reviews the carrying value of intangible and other long-lived assets based on the estimated discounted future cash flows expected to result from the use of these assets. Should the sum of the expected future net cash flows be less than the carrying value, an impairment loss would be recognized. An impairment loss would be measured by the amount by which the carrying value of the asset group exceeds the fair value of the asset group based on discounted estimated future cash flows. To date, management has determined that no impairment exists.

INVESTMENTS: The Company has invested in the Preferred Stock (Series A and B) of ChemoCentryx, Inc. (CCX), a technology and drug development company. Through April 2004 the Company held 26% of the outstanding stock of CCX and accounted for the investment under the equity method of accounting. In May and June, 2004 CCX obtained $38.1 million in financing through the issuance of approximately 14.7 million shares of Preferred (Series B) Stock. The financing included a $5.1 million investment by the Company. After the financing the Company holds a

19.9% equity interest in CCX. The Company then evaluated the cost versus equity method of accounting for its investment in CCX and determined that it does not have the ability to exercise significant influence over the operating and financial policies of CCX and therefore, after April 2004, accounted for its investment on a cost basis. The Company's net investment in CCX was $5.1 million and $2.5 million at June 30, 2004 and 2003, respectively. In connection with its original investment in CCX, the Company was issued warrants for 1.7 million shares of CCX Preferred Stock (Series A) which expire on December 31, 2005.

On August 2, 2001, the Company made an equity investment of $3 million in Discovery Genomics, Inc. (DGI) Series A Preferred Stock. DGI holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of drug targets. The Company holds a 38% equity interest in DGI and accounted for this investment under the equity method of accounting. During the fourth quarter of fiscal 2004, the Company determined that its investment in DGI was other than temporarily impaired and wrote off the remaining net investment of $1.5 million. The Company's net investment in DGI was $1.9 million at June 30, 2003. The Company has been issued warrants for 1.5 million shares of DGI Preferred Stock (Series A) which expire on August 2, 2008.

On January 1, 2004, the Company purchased a 10% interest in Hemerus Medical, LLC (Hemerus) for $3 million. Hemerus was formed in March 2001 and has acquired and is developing technology for the separation of leukocytes from blood and blood components. Leukoreduced blood is important in blood transfusion. Hemerus owns two patents and has several patent applications pending and is currently pursuing FDA clearance to market its products in the U.S. In parallel with this investment, R&D Systems entered into a Joint Research Agreement with Hemerus. The research will involve joint projects to explore the use of Hemerus's filter technology to applications within R&D Systems' Hematology and Biotechnology Divisions. Such applications, if any, may have commercial potential in other laboratory environments. The Company accounts for its investment in Hemerus under the equity method of accounting. The Company's net investment in Hemerus was $2.9 million at June 30, 2004.

As a development stage company, CCX is dependent on its ability to raise additional funds to continue its research and development efforts. If such funding were unavailable or inadequate to fund operations, the Company would potentially recognize an impairment loss to the extent of its remaining net investment. Hemerus' success is dependent, in part, upon receiving FDA clearance to market its products. If such clearance is not received, the Company would potentially recognize an impairment loss to the extent of its remaining net investment. The Company does not provide loans, guarantees or other financial assistance to CCX, DGI or Hemerus and has no obligation to provide additional funding.

STOCK OPTIONS: As permitted by Statement of Financial Accounting Standards (SFAS) No. 123, the Company has elected to continue following the guidance of Accounting Principles Board (APB) Opinion No. 25 for measurement and recognition of stock-based transactions with employees. No compensation cost has been recognized for stock options granted to employees under the plans because the exercise price of all options granted was at least equal to the fair value of the common stock at the date of grant.

If compensation cost for employee options granted under the Company's stock option plans had been determined based on the fair value at the grant dates, consistent with the methods provided in SFAS No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION, the Company's net earnings and earnings per share would have been as follows (in thousands, except per share data):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Net earnings:			
As reported	$52,928	$45,396	$27,130
Less employee stock-based compensation, net of taxes	3,253	609	1,131
Plus employee stock-based compensation			

expense included in net earnings	--	--	--
Pro forma	$49,675	$44,787	$25,999
Basic earnings per share:			
As reported	$ 1.29	$ 1.10	$ 0.65
Less employee stock-based compensation, net of taxes	0.08	0.01	0.02
Plus employee stock-based compensation expense included in net earnings	--	--	--
Pro forma	$ 1.21	$ 1.09	$ 0.63
Diluted earnings per share:			
As reported	$ 1.27	$ 1.08	$ 0.64
Less employee stock-based compensation, net of taxes	0.08	0.01	0.03
Plus employee stock-based compensation expense included in net earnings	--	--	--
Pro forma	$ 1.19	$ 1.07	$ 0.61

The fair value of options granted under the Company's stock option plans were estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used:

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Dividend yield	--	--	--
Expected volatility	48%-53%	48%-52%	56%-73%
Risk-free interest rates	3.9%-4.4%	4.2%-4.5%	4.6%-5.3%
Expected lives	7 years	7 years	7 years

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES: The Company has determined that it has no free-standing or embedded derivatives. All contracts that contain provisions meeting the definition of a derivative also meet the requirements of, and have been designated as, normal purchases or sales. The Company's policy is to not use free-standing derivatives and to not enter into contracts with terms that cannot be designated as normal purchases or sales.

RECENT ACCOUNTING PRONOUNCEMENTS: In January 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46 (FIN 46), CONSOLIDATION OF VARIABLE INTEREST ENTITIES. FIN 46 addresses the consolidation by businesses of variable interest entities and requires businesses to consolidate a variable interest entity if it has a variable interest that will absorb a majority of the entity's expected losses if they occur, or receive a majority of the entity's expected returns if they occur, or both. FIN 46 is effective for variable interest entities created after January 31, 2003. For variable interest entities created prior to January 31, 2003, the provisions of FIN 46 were applicable to the Company for the quarter ended December 31, 2003. The Company assessed its relationships with ChemoCentryx, Inc. (CCX) and Discovery Genomics, Inc. (DGI) and determined that neither investment was required to be consolidated in the Company's financial statements pursuant to FIN 46. In December 2003, the FASB revised FIN 46. The Company was required to follow the revised FIN 46 guidance effective for the quarter ended March 31, 2004. The Company has determined that none of the Company's investments in CCX, DGI and the January 2004 investment in Hemerus Medical, LLC, are required to be consolidated in the Company's financial statements pursuant to the revised FIN 46.

In May 2003, the FASB issued Statement of Financial Accounting Standard No. 150, ACCOUNTING FOR CERTAIN FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF BOTH LIABILITIES AND EQUITY, which established standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both debt and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances) because that financial instrument embodies an obligation of the issuer. For example, the Statement requires liability classification for a financial instrument issued in the form of shares that are mandatorily redeemable, e.g., includes an unconditional

obligation requiring the issuer to redeem it by transferring at a specified or determinable date or dates or upon an event certain to occur. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company has adopted SFAS No. 150 and it did not have a significant impact on the Company's financial statements.

RECLASSIFICATIONS: Certain reclassifications have been made to prior years consolidated financial statements to conform to the current year presentation. These reclassifications had no impact on net earnings or stockholders' equity as previously reported.

B. INVENTORIES:

Inventories consist of (in thousands):

	JUNE 30, 2004	2003
Raw materials	$3,062	$2,618
Finished goods	4,257	3,595
Supplies	138	119
	$7,457	$6,332

C. PROPERTY AND EQUIPMENT:

Property and equipment consist of (in thousands):

	JUNE 30, 2004	2003
Cost:		
Land	$ 3,264	$ 2,999
Buildings and improvements	77,333	64,930
Building construction in progress	8,329	18,310
Laboratory equipment	17,081	16,372
Office and computer equipment	3,367	3,106
Leasehold improvements	627	537
	110,001	106,254
Less accumulated depreciation and amortization	29,497	25,088
	$ 80,504	$ 81,166

D. GOODWILL AND INTANGIBLE ASSETS:

Goodwill and intangible assets consist of (in thousands):

	USEFUL LIFE	JUNE 30, 2004	2003
Goodwill	N/A	$ 38,846	$ 38,846
Less accumulated amortization		26,306	26,306
		$ 12,540	$ 12,540
Customer list	10 years	$ 18,010	$ 18,010
Technology licensing agreements	16 years	730	730
		18,740	18,740
Less accumulated amortization		15,921	14,322

$ 2,819	$ 4,418

The pro forma effects of implementation of SFAS No. 142 to prior periods would be as follows (in thousands, except per share data):

	JUNE 30, 2002
Reported net earnings	$27,130
Goodwill amortization, net of tax	4,076
Adjusted net earnings	$31,206
Reported basic earnings per share	$ 0.65
Goodwill amortization	0.10
Adjusted basic earnings per share	$ 0.75
Reported diluted earnings per share	$ 0.64
Goodwill amortization	0.09
Adjusted diluted earnings per share	$ 0.73

The estimated future amortization expense for other intangible assets as of June 30, 2004 is as follows (in thousands):

YEAR ENDING JUNE 30:	
2005	$1,221
2006	881
2007	541
2008	176
	$2,819

E. DEBT:

The Company's short-term line of credit facility consists of an unsecured line of credit of $0.8 million at June 30, 2004. The line of credit expires on October 31, 2004. The interest rate charged on the line of credit is at the prime rate (4.0% at June 30, 2004). There were no borrowings on the line outstanding as of June 30, 2004 and 2003.

Long-term debt consists of (in thousands):

	JUNE 30, 2004	2003
Mortgage note, payable in monthly installments through August 2014	$ 15,857	$ 17,086
Less current portion	1,281	1,234
	$ 14,576	$ 15,852

The interest rate on the mortgage note was fixed at 7% through November 2002. The terms of the original note were modified in December 2002 to include a floating interest rate at the one month London interbank offered rate (Libor) plus 2.5% with a floor of 4%. The floating interest rate on the mortgage note payable was below the 4% floor as of June 30, 2004.

Scheduled principal maturities of long-term debt as of June 30, 2004 assuming a

4% interest rate are as follows (in thousands):

YEAR ENDING JUNE 30:	
2005	$ 1,281
2006	1,334
2007	1,389
2008	1,445
2009	1,506
Thereafter	8,902
	$15,857

F. COMMITMENTS AND CONTINGENCIES:

The Company leases buildings, vehicles and various data processing, office and laboratory equipment under operating leases. These leases provide for renewal or purchase options during or at the end of the lease periods. At June 30, 2004, aggregate net minimum rental commitments under noncancelable leases having an initial or remaining term of more than one year are payable as follows (in thousands):

YEAR ENDING JUNE 30:	
2005	$ 621
2006	614
2007	574
2008	543
2009	518
Thereafter	3,242
	$6,112

Total rent expense was approximately $594,000, $554,000, and $406,000 for the years ended June 30, 2004, 2003 and 2002, respectively.

In fiscal 1999, the Company entered into an option agreement for real estate adjacent to its R&D Systems facility. The purchase price for the property under the option is $7 million plus capital improvement costs. The option expires on January 1, 2005 and required a nonrefundable deposit of $2 million. A deposit of $1,000 was made on the option in fiscal 2000 with the remainder of the deposit made in fiscal 2002. The deposit is included in other long-term assets. The Company may negotiate an extension of the option beyond January 1, 2005, but if unable to do so, plans to exercise the option prior to its expiration date.

The Company is routinely subject to claims and involved in legal actions which are incidental to the business of the Company. Although it is difficult to predict the ultimate outcome of these matters, management believes that any ultimate liability will not materially affect the consolidated financial position or results of operations of the Company.

The litigation settlement in fiscal 2002 arose from a dispute between the Company and Amgen, Inc. Amgen had presented invoices in fiscal 2000 in the amount of $28 million for materials provided to the Company over past years for which no accounting or invoices were rendered for nine years. The $17.5 million payment in fiscal 2002 was a full, complete and final cash settlement of the dispute.

G. STOCKHOLDERS' EQUITY:

STOCK OPTION PLANS: The Company has stock option plans which provide for the granting of stock options to employees (the TECHNE Corporation 1997 and 1987 Incentive Stock Option Plans) and to employees, officers, directors and consultants (the TECHNE Corporation 1998 and 1988 Nonqualified Stock Option Plans). The plans are administered by the Board of Directors, or a committee designated by the Board, which determines the persons who are to receive awards under the plans, the number of shares subject to each award and the term and

exercise price of each option. The maximum term of options granted under all plans is ten years. The number of shares of common stock authorized to be issued is 3.2 million, 3.2 million, 1.6 million and 2.0 million under the 1997 Plan, the 1987 Plan, the 1998 Plan and the 1988 Plan, respectively. The number of shares available for grant at June 30, 2004 under the 1997 and 1998 Plans were 2.4 million and 1.1 million, respectively. No future grants will be made under the 1987 and 1988 Plans.

Stock option activity during the three years ended June 30, 2004 consists of the following (shares in thousands):

	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at June 30, 2001	1,904	$ 16.40
Granted	33	29.42
Canceled	(24)	36.50
Exercised	(167)	3.33
Outstanding at June 30, 2002	1,746	17.62
Granted	34	30.40
Canceled	(31)	36.50
Exercised	(392)	7.40
Outstanding at June 30, 2003	1,357	20.45
Granted	239	36.40
Canceled	(17)	45.83
Exercised	(242)	16.93
Outstanding at June 30, 2004	1,337	23.60
Options exercisable at June 30:		
2002	1,685	17.22
2003	1,350	20.37
2004	1,225	22.36

Currently outstanding and exercisable stock options at June 30, 2004 consist of the following (shares in thousands):

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
EXERCISE PRICES	OUTSTANDING	WEIGHTED AVG. CONTRACTUAL LIFE (YRS.)	WEIGHTED AVG. EXERCISE PRICE	EXERCISABLE	WEIGHTED AVG. EXERCISE PRICE
$ 3.37-10.00	520	1.83	$ 5.35	520	$ 5.35
10.01-20.00	89	5.00	19.44	89	19.44
20.01-40.00	662	4.83	35.81	565	35.67
40.01-65.00	66	6.33	50.24	51	53.00
	1,337	3.75	23.60	1,225	22.36

WARRANTS: In fiscal 2000, the Company issued warrants to purchase 120,000 shares of the Company's common stock at $11.89 per share as a nonrefundable deposit on an option to purchase property adjacent to its R&D Systems' facility. The fair market value of the warrants at issuance was $0.9 million. The warrants are outstanding as of June 30, 2004 and expire on June 30, 2006.

H. INCOME TAXES:

The provisions for income taxes consist of the following (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Earnings before income taxes consist of:			

Domestic	$65,716	$59,216	$31,214
Foreign	16,825	10,339	6,522
	$82,541	$69,555	$37,736
Taxes (benefits) on income consist of:			
Currently payable:			
Federal	$22,333	$19,997	$15,054
State	2,014	504	11
Foreign	4,977	3,448	1,855
Net deferred:			
Federal	247	112	(5,412)
State	19	161	(1,020)
Foreign	23	(63)	118
	$29,613	$24,159	$10,606

The following is a reconciliation of the federal tax calculated at the statutory rate of 35% to the actual income taxes provided (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Computed expected federal income tax expense	$28,889	$24,344	$13,207
State income taxes, net of federal benefit	1,026	494	8
Extraterritorial income tax benefit	(1,079)	(937)	(892)
Research and development tax credits	(268)	(347)	(373)
Tax-exempt interest	(720)	(735)	(1,005)
Increase in federal deferred tax valuation allowance	1,531	1,116	649
Other	234	224	(988)
	$29,613	$24,159	$10,606

Temporary differences comprising deferred taxes on the consolidated balance sheets are as follows (in thousands):

	JUNE 30,	
	2004	2003
Inventory	$ 3,297	$ 2,723
Inventory costs capitalized	961	1,012
Unrealized profit on intercompany sales	438	351
Other	124	151
Current asset	4,820	4,237
Excess of book over tax intangible asset amortization	7,079	7,958
Excess of book over tax research expense	286	309
Excess of book over tax depreciation	534	551
Excess tax basis in equity investments	2,976	1,353
Valuation allowance	(2,976)	(1,353)
Other	(56)	(103)
Noncurrent asset	7,843	8,715
	$12,663	$12,952

A deferred tax valuation allowance is required when it is more likely than not that all or a portion of deferred tax assets will not be realized. The Company has provided a valuation allowance for the potential capital loss carryover resulting from the excess tax basis in equity investment. The Company believes that it is more likely than not that the recorded deferred tax asset, net of valuation allowance, will be realized.

Undistributed earnings of the Company's foreign subsidiaries amounted to approximately $36.9 million as of June 30, 2004. Deferred taxes have not been

provided on such undistributed earnings, as it is the Company's intent to indefinitely reinvest the undistributed earnings in the foreign operations.

The Company's tax returns are subject to audit by various governmental entities in the normal course of business. The Company has received an audit assessment of $1.75 million, plus interest, from the State of Minnesota for fiscal years 2000 to 2003. The Company has filed an appeal with the Minnesota Department of Revenue for abatement of the assessment. The Company believes that the ultimate resolution of the matter will not materially effect the consolidated financial position or operations of the Company.

I. EARNINGS PER SHARE:

The number of shares used to calculate earnings per share are as follows (in thousands, except per share data):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Net earnings used for basic and diluted earnings per share	$52,928	$45,396	$27,130
Weighted average shares used in basic computation	41,046	41,237	41,508
Dilutive stock options and warrants	651	794	1,015
Weighted average shares used for diluted computation	41,697	42,031	42,523
Basic EPS	$ 1.29	$ 1.10	$ 0.65
Diluted EPS	$ 1.27	$ 1.08	$ 0.64

The dilutive effect of stock options and warrants in the above table excludes all options for which the exercise price was higher than the average market price for the period. The number of potentially dilutive option shares excluded from the calculation were 352,000, 582,000 and 579,000 at June 30, 2004, 2003 and 2002, respectively.

J. SEGMENT INFORMATION:

The Company has three reportable operating segments based on the nature of products and geographic location: Hematology Division, Biotechnology Division and R&D Systems Europe. The Hematology Division develops and manufactures hematology controls and calibrators for sale world-wide. The Biotechnology

Division develops and manufactures biotechnology research and diagnostic products for sale world-wide. R&D Systems Europe distributes Biotechnology Division products throughout Europe. No customer accounted for more than 10% of the Company's net sales for the years ended June 30, 2004, 2003 and 2002.

The accounting policies of the segments are the same as those described in Note A. In evaluating segment performance, management focuses on sales and earnings before taxes.

Following is financial information relating to the operating segments (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
External net sales			
Hematology	$ 17,478	$ 16,666	$ 15,570
Biotechnology	99,382	90,965	84,655
R&D Systems Europe	44,397	37,380	30,675
Total external net sales	$161,257	$145,011	$130,900
Intersegment sales			

Hematology	$ --	$ --	$ --
Biotechnology	19,686	18,131	16,726
R&D Systems Europe	--	40	57
Total intersegment sales	$ 19,686	$ 18,171	$ 16,783
Earnings before taxes			
Hematology	$ 5,901	$ 5,938	$ 5,094
Biotechnology	66,630	58,468	47,777
R&D Systems Europe	16,825	10,339	6,522
Corporate and other	(6,815)	(5,190)	(21,657)
Total earnings before taxes	$ 82,541	$ 69,555	$ 37,736
Assets			
Hematology	$ 22,093	$ 21,308	$ 20,182
Biotechnology	181,610	141,425	132,937
R&D Systems Europe	49,512	33,563	23,641
Corporate and other	73,554	68,329	62,833
Intersegment eliminations	(1,309)	(1,348)	(1,346)
Total assets	$325,460	$263,277	$238,247
Depreciation and amortization			
Hematology	$ 346	$ 355	$ 316
Biotechnology	3,632	4,106	10,780
R&D Systems Europe	275	288	252
Corporate and other	1,787	1,604	1,340
Total depreciation and amortization	$ 6,040	$ 6,353	$ 12,688
Capital purchases			
Hematology	$ 46	$ 43	$ 831
Biotechnology	2,786	7,799	2,332
R&D Systems Europe	144	193	201
Corporate and other	734	7,159	18,912
Total capital purchases	$ 3,710	$ 15,194	$ 22,276

Corporate and other reconciling items include the results of unallocated corporate expenses and assets, the operations of the Company's equity investments in ChemoCentryx, Inc., Discovery Genomics, Inc. and Hemerus, the impairment loss on the equity investment in fiscal 2004 and the litigation settlement in fiscal 2002.

Following is financial information relating to geographic areas (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
External sales			
United States	$ 94,559	$ 87,774	$ 80,957
Other areas	66,698	57,237	49,943
Total external sales	$161,257	$145,011	$130,900
Long-lived assets			
United States	$ 81,870	$ 82,481	$ 71,616
Other areas	752	814	835
Total long-lived assets	$ 82,622	$ 83,295	$ 72,451

External sales are attributed to countries based on the location of the customer/distributor. Long-lived assets are comprised of land, buildings and improvements, equipment and deposits on real estate.

K. BENEFIT PLANS:

PROFIT SHARING PLANS: The Company has a Profit Sharing and Savings Plan for non-union U.S. employees, which conforms to IRS provisions for 401(k) plans.

The Company may make profit sharing contributions at the discretion of the Board of Directors. Operations have been charged for contributions to the plan of $902,000, $440,000 and $1,022,000 for the years ended June 30, 2004, 2003 and 2002, respectively. The Company operates a defined contribution pension plan for employees of R&D Systems Europe Ltd. Operations have been charged for contributions to the plan of $105,000, $84,000 and $84,000 for the years ended June 30, 2004, 2003 and 2002, respectively.

STOCK BONUS PLANS: The Company also has Stock Bonus Plans covering non-union employees. The Company may make contributions to the plans in the form of common stock, cash or other property at the discretion of the Board of

Directors. The Company purchases its common stock at market value for contribution to the plans. For the years ended June 30, 2004, 2003 and 2002 operations have been charged $947,000, $463,000 and $1,081,000, respectively.

PERFORMANCE INCENTIVE PROGRAM: Under certain employment agreements with executive officers, the Company recorded bonuses of $66,000, $68,000 and $98,000 for the years ended June 30, 2004, 2003 and 2002, respectively. In addition, options for 41,758, 3,460 and 3,108 shares of common stock were granted to the executive officers during fiscal 2004, 2003 and 2002, respectively.

L. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION AND NONCASH INVESTING AND FINANCING ACTIVITIES:

The Company paid and received cash for the following items (in thousands):

	YEAR ENDED JUNE 30,		
	2004	2003	2002
Income taxes paid	$ 25,979	$ 17,477	$ 21,251
Interest paid	672	1,022	1,326
Interest received	3,474	3,380	3,665

In fiscal 2004, stock options for 1,000 shares of common stock were exercised by the surrender of 204 shares of common stock at fair market value of $9,000. In fiscal 2003, stock options for 126,784 shares of common stock were exercised by the surrender of 14,092 shares of common stock at fair market value of $454,000. In fiscal 2002, stock options for 80,000 shares of common stock were exercised by the surrender of 7,654 shares of common stock at fair market value of $225,000.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
TECHNE Corporation
Minneapolis, Minnesota

We have audited the accompanying consolidated balance sheets of TECHNE Corporation and Subsidiaries (the Company) as of June 30, 2004 and 2003, and the related consolidated statements of earnings, stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the fiscal 2004 and 2003 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TECHNE Corporation and Subsidiaries as of June 30, 2004 and 2003 and the results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note A to the consolidated financial statements, the Company adopted the provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," on July 1, 2002.

/s/ KPMG LLP

Minneapolis, Minnesota
August 10, 2004

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
TECHNE Corporation
Minneapolis, Minnesota

We have audited the accompanying consolidated statements of earnings, stockholders' equity, and cash flows of TECHNE Corporation and Subsidiaries (the "Company") for the year ended June 30, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the results of operations and cash flows of TECHNE Corporation and Subsidiaries for the year ended June 30, 2002, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

August 13, 2002

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Company conducted an evaluation, under the supervision and with the participation of the principal executive officer and principal financial officer, of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based on this evaluation, the principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded,

processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There was no change in the Company's internal control over financial reporting during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS

Other than "Executive Officers of the Company" which is set forth at the end of Part I of this Form 10-K, the information required by Item 10 is incorporated herein by reference to the sections entitled "Election of Directors", "Committees and Meetings of the Board of Directors", "Code of Ethics and Business Conduct and Financial Fraud Hotline" and "Compliance With Section 16(a) of the Securities Exchange Act" in the Company's proxy statement for its 2004 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated herein by reference to the section entitled "Executive Compensation" in the Company's proxy statement for its 2004 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information about the Company's equity compensation plans at June 30, 2004 is as follows (shares in thousands):

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by Stockholders(1)	1,337	$23.60	3,452
Equity compensation plans not approved by stockholders(2)	120	$11.89	0

(1) Includes the Company's 1997 and 1987 Incentive Stock Option Plans and 1998 and 1988 Nonqualified Stock Option Plans. No future grants will be made under the 1987 and 1988 Plans.
(2) Includes warrants issued as part of a real estate purchase. The warrants expire on June 30, 2006.

The remaining information required by Item 12 is incorporated by reference to the sections entitled "Principal Shareholders" and "Management Shareholdings" in the Company's proxy statement for its 2004 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 16 is incorporated herein by reference to the section entitled "Audit Fees" in the Company's proxy statement for its 2004 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

A. (1) List of Financial Statements.

The following Consolidated Financial Statements are filed as part of this Report:

Consolidated Statements of Earnings for the Years Ended June 30, 2004, 2003 and 2002

Consolidated Balance Sheets as of June 30, 2004 and 2003

Consolidated Statements of Stockholders' Equity for the Years Ended June 30, 2004, 2003 and 2002

Consolidated Statements of Cash Flows for the Years Ended June 30, 2004, 2003 and 2002

Notes to Consolidated Financial Statements for the Years Ended June 30, 2004, 2003 and 2002

Report of Independent Registered Public Accounting Firm

(2) Financial Statement Schedules.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNT
YEARS ENDED JUNE 30, 2004, 2003 AND 2002
(in 000's)

	Balance at Beginning of Year	Provision Charged/(Credited) to Income	Accounts Written Off	Balance at End of Year
Year ended June 30, 2004:				
Allowance for doubtful accounts	$268	$ 76	$(111)	$233
Year ended June 30, 2003:				
Allowance for doubtful accounts	263	91	(86)	268
Year ended June 30, 2002:				
Allowance for doubtful accounts	126	137	--	263

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON SCHEDULE

Board of Directors and Stockholders
TECHNE Corporation

Minneapolis, Minnesota

Under the date of August 10, 2004, we reported on the consolidated balance sheets of TECHNE Corporation and Subsidiaries as of June 30, 2004 and 2003 and the related consolidated statements of earnings, stockholders' equity and cash flows for the years then ended. In connection with our audit of the aforementioned financial statements, we also have audited the related financial statement schedule for the years ended June 30, 2004 and 2003 as listed in the accompanying index. The financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits. In our opinion, such financial statement schedule for the years ended June 30, 2004 and 2003, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

Our report on the fiscal 2004 consolidated financial statements of TECHNE Corporation and Subsidiaries refers to the Company's adoption of the provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," on July 1, 2002.

/s/ KPMG LLP

Minneapolis, Minnesota
August 10, 2004

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
TECHNE Corporation
Minneapolis, Minnesota

We have audited the consolidated financial statements of TECHNE Corporation and Subsidiaries (the "Company") for the year ended June 30, 2002, and have issued our report thereon dated August 13, 2002; such consolidated financial statements and report are included elsewhere in this Form 10-K. Our audit also included the financial statement schedule of the Company for the year ended June 30, 2002 listed in Item 15 (2). This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, such financial statement schedule for the year ended June 30, 2002, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
August 13, 2002

(3) Exhibits.

See Exhibit Index immediately following signature page.

B. Reports on Form 8-K:

Form 8-K dated April 27, 2004 furnishing pursuant to Item 12, the Registrant's press release reporting earnings for its third quarter of fiscal 2004 and segment information for the quarter and nine months ended March 31, 2004.

Form 8-K dated August 10, 2004 furnishing pursuant to Item 12, the Registrant's press release reporting earnings for its fourth quarter of fiscal 2004 and segment information for the year ended June 30, 2004.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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

Date: September 10, 2004 /s/ Thomas E. Oland

By: Thomas E. Oland
Its: President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date	Signature and Title
September 10, 2004	/s/ Thomas E. Oland Thomas E. Oland Chairman of the Board, President, Treasurer, Chief Executive Officer, Chief Financial Officer and Director
September 10, 2004	/s/ Roger C. Lucas, Ph.D. Dr. Roger C. Lucas Vice Chairman and Director
September 10, 2004	/s/ Howard V. O'Connell Howard V. O'Connell, Director
September 10, 2004	/s/ G. Arthur Herbert G. Arthur Herbert, Director
September 10, 2004	/s/ Randolph C. Steer, Ph.D., M.D. Dr. Randolph C. Steer, Director
September 10, 2004	/s/ Christopher S. Henney, Ph.D., D.Sc. Dr. Christopher S. Henney, Director
September 10, 2004	/s/ Robert V. Baumgartner Robert V. Baumgartner, Director

EXHIBIT INDEX
for Form 10-K for the 2004 Fiscal Year

Exhibit Number	Description
3.1	Restated Articles of Incorporation of Company, as amended to date--incorporated by reference to Exhibit 3.1 of the Company's Form 10-Q for the quarter ended September 30, 2000*
3.2	Restated Bylaws, as amended to date--incorporated by reference to Exhibit 3.2 of the Company's Form 10, dated October 27, 1988*
10.1**	Employee Agreement with Respect to Inventions, Proprietary Information, and Unfair Competition with Thomas E. Oland--incorporated by reference to Exhibit 10.2 of the Company's Form 10, dated October 27, 1988*

10.2** Company's Profit Sharing Plan--incorporated by reference to Exhibit 10.6 of the Company's Form 10, dated October 27, 1988*

10.3** Company's Stock Bonus Plan--incorporated by reference to Exhibit 10.7 of the Company's Form 10, dated October 27, 1988*

10.4** 1987 Incentive Stock Option Plan--incorporated by reference to Exhibit 10.14 of the Company's Form 10, dated October 27, 1988*

10.5 Form of Stock Option Agreement for 1987 Incentive Stock Option Plan--incorporated by reference to Exhibit 10.15 of the Company's Form 10, dated October 27, 1988*

10.6** 1988 Nonqualified Stock Option Plan--incorporated by reference to Exhibit 10.16 of the Company's Form 10, dated October 27, 1988*

10.7 Form of Stock Option Agreement for Nonqualified Stock Option Plan--incorporated by reference to Exhibit 10.17 of the Company's Form 10, dated October 27, 1988*

10.8 International Distributor Agreement dated October 1, 1991 between Research and Diagnostic Systems, Inc. and Hycel, S.A.-incorporated by reference to Exhibit 28.2 of the Company's Form 8-K dated September 30, 1991, as amended by Forms 8 dated November 1, 1991 and November 25, 1991*

10.9** Employment Agreement, dated March 6, 1996, with Monica Tsang--incorporated by reference to Exhibit 10.25 of the Company's Form 10-K for the year ended June 30, 1996*

10.10** 1997 Incentive Stock Option Plan--incorporated by reference to Exhibit 10.24 of the Company's Form 10-K for the year ended June 30, 1997*

10.11 Form of Stock Option Agreement for 1997 Incentive Stock Option Plan--incorporated by reference to Exhibit 10.25 of the Company's Form 10-K for the year ended June 30, 1997*

10.12 Investment Agreement between ChemoCentryx, Inc. and Techne Corporation dated November 18, 1997--incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended December 31, 1997*

10.13 Purchase and Sale Agreement dated as of June 22, 1998 among Techne Corporation, Research and Diagnostic Systems, Inc. and Genzyme Corporation--incorporated by reference to Exhibit 2.1 of the Company's Form 8-K dated July 1, 1998, as amended by Form 8-K/A dated September 14, 1998*

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*Incorporated by reference; SEC File No. 0-17272

**Management contract or compensatory plan or arrangement

Exhibit
Number Description
- ------- -----------

10.14** 1998 Nonqualified Stock Option Plan--incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended September 30, 1998*

10.15 Form of Stock Option Agreement for 1998 Nonqualified Stock Option Plan--incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q for the quarter ended September 30, 1998*

10.16 Purchase Agreement dated January 22, 1999, between R&D Systems, Inc. and Hillcrest Development, relating to the purchase of property as 614 and 640 McKinley Place NE and 2201 Kennedy Street in Minneapolis, Minnesota and First amendment dated February 5, 1999--incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended December 31, 1998*

10.17** Extension, dated March 31, 1999, to Employment Agreement with

Monica Tsang, Ph.D.--incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q for the quarter ended March 31, 1999*

10.18** Extension, dated March 31, 1999, to Employment Agreement with Marcel Veronneau--incorporated by reference to Exhibit 10.3 of the Company's Form 10-Q for the quarter ended March 31, 1999*

10.19 Second Amendment, dated February 2, 1999, to Purchase Agreement dated January 22, 1999 between R&D Systems, Inc. and Hillcrest Development--incorporated by reference to Exhibit 10.4 of the Company's Form 10-Q for the quarter ended March 31, 1999*

10.20 Third Amendment, dated April 3, 1999, to Purchase Agreement dated January 22, 1999 between R&D Systems, Inc. and Hillcrest Development--incorporated by reference to Exhibit 10.5 of the Company's Form 10-Q for the quarter ended March 31, 1999*

10.21 Phase I Option Agreement, dated February 10, 1999, between R&D Systems, Inc. and Hillcrest Development and form of Purchase Agreement relating to the purchase of property at 2101 Kennedy Street in Minneapolis, Minnesota-- incorporated by reference to Exhibit 10.6 of the Company's Form 10-Q for the quarter ended March 31, 1999*

10.22 First Amendment, dated April 10, 1999, to Phase I Option Agreement dated February 10, 1999-- incorporated by reference to Exhibit 10.7 of the Company's Form 10-Q for the quarter ended March 31, 1999*

10.23 Phase II Option Agreement, dated February 10, 1999, between R&D Systems, Inc. and Hillcrest Development and form of Purchase Agreement relating to the purchase of property at 2001 Kennedy Street in Minneapolis, Minnesota-- incorporated by reference to Exhibit 10.8 of the Company's Form 10-Q for the quarter ended March 31, 1999*

10.24 Second Amendment, dated June 9, 1999, to Phase I Option Agreement dated February 10, 1999-- incorporated by reference to Exhibit 10.33 of the Company's Form 10-K for the year ended June 30, 1999*

10.25 Second Amendment, dated June 10, 1999, to Phase II Option Agreement dated February 10, 1999-- incorporated by reference to Exhibit 10.34 of the Company's Form 10-K for the year ended June 30, 1999*

10.26 Warrant to purchase 60,000 shares of Common Stock issued to Hillcrest Development on July 1, 1999--incorporated by reference to Exhibit 10.35 of the Company's Form 10-K for the year ended June 30, 1999*

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*Incorporated by reference; SEC File No. 0-17272
**Management contract or compensatory plan or arrangement

Exhibit
Number Description
- ------- -----------

10.27 Combination Mortgage, Security Agreement and Fixture Financing Statement dated July 1, 1999 between the Company and TCF National Bank Minnesota (TCF)--incorporated by reference to Exhibit 10.36 of the Company's Form 10-K for the year ended June 30, 1999*

10.28 Promissory Note from the Company to TCF dated July 1, 1999 in the principal amount of $20,400,000-- incorporated by reference to Exhibit 10.37 of the Company's Form 10-K for the year ended June 30, 1999*

10.29** Employment Agreement, dated October 1, 1999, with Timothy M. Heaney-- incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended September 30, 1999*

10.30 Investment Agreement between the Company and Discovery Genomics, Inc. dated August 2, 2001--incorporated by reference to Exhibit 10.30 of the Company's for 10-K for the year ended June 30, 2001.

10.31 Research and License Agreement between R&D Systems and Discovery Genomics, Inc. dated August 2, 2001--incorporated by reference to Exhibit 10.31 of the Company's 10-K for the year ended June 30, 2001.

10.32 Investors Rights Agreement dated February 2, 2001 among ChemoCentryx, Inc., the Company and certain investors amending the Investment Agreement between ChemoCentryx, Inc. and the Company dated November 18, 1997--incorporated by reference to Exhibit 10.32 of the Company's 10-K for the year ended June 30, 2001.

10.33 Letter Agreement dated February 2, 2001 between ChemoCentryx, Inc. and the Company amending the terms of warrants held by the Company--incorporated by reference to Exhibit 10.33 of the Company's 10-K for the year ended June 30, 2001.

10.34 Third Amendment, dated October 4, 2000, to Phase I Option Agreement dated February 10, 1999--incorporated by reference to Exhibit 10.34 of the Company's 10-K for the year ended June 30, 2001.

10.35** Extension, dated August 28, 2001, to Employment Agreement with Monica Tsang, Ph.D.--incorporated by reference to Exhibit 10.35 of the Company's 10-K for the year ended June 30, 2001.

10.36** Extension, dated August 28, 2001, to Employment Agreement with Marcel Veronneau--incorporated by reference to Exhibit 10.36 of the Company's 10-K for the year ended June 30, 2001.

10.37 Exercise of Option Agreement Relating to 2101 Kennedy Street dated October 31, 2001--incorporated by reference to Exhibit 10.1 of the Company's 10-Q for the quarter ended September 30, 2001.

10.38 Warranty Deed for purchase of certain property in Hennepin County, Minnesota--incorporated by reference to Exhibit 10.1 of the Company's 10-Q for the quarter ended March 31, 2002.

10.39 Correction/Amendment to Investment Agreement dated April 23, 2002, between Techne Corporation and Discovery Genomics, Inc.- incorporated by reference to Exhibit 10.39 of the Company's 10-K for the year ended June 30, 2002.

10.40 Form of Indemnification Agreement entered into with each director and executive officer of the Registrant-incorporated by reference to Exhibit 10.1 of the Company's 10-Q for the quarter ended December 31, 2002.

10.41** Extension, dated June 30, 2004, to Employment Agreement with Monica Tsang, Ph.D.

10.42** Extension, dated June 30, 2004, to Employment Agreement with Marcel Veronneau

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*Incorporated by reference; SEC File No. 0-17272
**Management contract or compensatory plan or arrangement

Exhibit Number Description
- ------- -----------

21 Subsidiaries of the Company:

Name	State/Country of Incorporation
Research and Diagnostic Systems, Inc.	Minnesota
R&D Systems Europe Ltd.	Great Britain

R&D Systems GmbH	Germany	

23	Consent of KPMG LLP, Independent Registered Public Accounting Firm
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
31	Section 302 Certification
32	Section 906 Certification

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*Incorporated by reference; SEC File No. 0-17272

**Management contract or compensatory plan or arrangement

EXTENSION OF EMPLOYMENT AGREEMENT

DATE: June 30, 2004

Parties: Techne Corporation
614 McKinley Place N.E.
Minneapolis, MN 55413

Monica Tsang, Ph.D.

AGREEMENTS:

The parties hereby agree that the termination date of the Employment Agreement between them for the period July 1, 1995 through June 30, 1998 and previously extended to June 30, 2004 is extended to June 30, 2007. All other provisions of such Employment Agreement shall remain in full force and effect.

Techne Corporation

By /s/ Thomas E. Oland

Thomas E. Oland, President

/s/ Monica Tsang
- ---
Monica Tsang, Ph.D.

EXTENSION OF EMPLOYMENT AGREEMENT

DATE: June 30, 2004

Parties: Techne Corporation
614 McKinley Place N.E.
Minneapolis, MN 55413

Marcel Veronneau

AGREEMENTS:

The parties hereby agree that the termination date of the Employment Agreement between them for the period July 1, 1995 through June 30, 1998 and previously extended to June 30, 2004 is extended to June 30, 2007. All other provisions of such Employment Agreement shall remain in full force and effect.

Techne Corporation

By /s/ Thomas E. Oland

Thomas E. Oland, President

/s/ Marcel Veronneau
- ---
Marcel Veronneau

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
TECHNE Corporation
Minneapolis, Minnesota

We consent to the incorporation by reference in the Registration Statements (No. 33-42992, 33-49160, 33-86728, 33-86732, 333-14211, 333-37263, 333-88885, and 333-4992) on Form S-8 of TECHNE Corporation of our reports dated August 10, 2004, with respect to the consolidated balance sheets of TECHNE Corporation as of June 30, 2004 and 2003, and the related consolidated statements of earnings, stockholders' equity and cash flows for the years then ended, and the related financial statement schedule for the years ended June 30, 2004 and, which reports appear in the June 30, 2004, annual report on Form 10-K of TECHNE Corporation.

/s/ KPMG LLP

Minneapolis, Minnesota
September 10, 2004

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 33-42992, 33-49160, 33-86728, 33-86732, 333-14211, 333-37263, 333-88885, and 333-49962 of TECHNE Corporation on Form S-8 of our report dated August 13, 2002, appearing in this Annual Report on Form 10-K of TECHNE Corporation and Subsidiaries for the year ended June 30, 2004.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
September 9, 2004

CERTIFICATION

I, Thomas E. Oland, certify that:

1. I have reviewed this annual report on Form 10-K of Techne Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth quarter that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2004

/s/ Thomas E. Oland
- ----------
Thomas E. Oland
Chief Executive Officer and
Chief Financial Officer

TECHNE CORPORATION

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Techne Corporation (the "Company") on Form 10-K for the year ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. Oland, Chief Executive and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas E. Oland

Chief Executive Officer and
Chief Financial Officer
September 10, 2004