SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended December 31, 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 or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

614 MCKINLEY PLACE N.E. MINNEAPOLIS, MN	55413	(612) 379-8854
(Address of principal executive offices)	(Zip Code)	(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes (X) No ( )

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes (X) No ( )

At February 3, 2005, 41,319,155 shares of the Company's Common Stock (par value $.01) were outstanding.

TECHNE CORPORATION
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DECEMBER 31, 2004

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PART I. FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

TECHNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(unaudited)

	12/31/04	6/30/04
ASSETS		
Cash and cash equivalents	$ 69,626	$ 51,201
Short-term available-for-sale investments	47,104	42,534
Trade accounts receivable, net	18,801	20,262
Interest receivable	944	837
Inventories	8,079	7,457
Deferred income taxes	5,035	4,820
Prepaid expenses	982	954
Total current assets	150,571	128,065
Available-for-sale investments	97,033	82,858
Property and equipment, net	79,119	80,504
Goodwill, net	12,540	12,540
Intangible assets, net	2,208	2,819
Deferred income taxes	7,426	7,843
Investments	8,320	8,484
Other long-term assets	2,270	2,347
	$359,487	$325,460
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	$ 3,256	$ 2,695
Salaries, wages and related accounts payable	2,923	3,416
Other accounts payable and accrued expenses	1,358	1,152
Income taxes payable	4,406	4,915
Current portion of long-term debt	1,271	1,281
Total current liabilities	13,214	13,459
Long-term debt, less current portion	13,958	14,576
Total liabilities	27,172	28,035
Commitments and contingencies (Note D)		

Common stock, par value $.01 per share; authorized 100,000,000; issued and outstanding 41,319,155 and 41,154,922, respectively	413	412
Additional paid-in capital	71,944	68,960
Retained earnings	251,809	222,728
Accumulated other comprehensive income	8,149	5,325
Total stockholders' equity	332,315	297,425
	$359,487	$325,460

See notes to consolidated financial statements (unaudited).

TECHNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per share data)
(unaudited)

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
Net sales	$42,247	$38,264	$83,166	$76,257
Cost of sales	8,941	8,441	17,828	17,104
Gross margin	33,306	29,823	65,338	59,153
Operating expenses:				
Selling, general and administrative	6,290	5,519	11,924	10,602
Research and development	4,619	5,450	9,307	10,413
Amortization of intangible assets	306	399	611	799
Total operating expenses	11,215	11,368	21,842	21,814
Operating income	22,091	18,455	43,496	37,339
Other expense (income):				
Interest expense	178	172	423	347
Interest income	(1,189)	(762)	(2,242)	(1,488)
Other non-operating expense (income), net	416	20	882	98
Total other income	(595)	(570)	(937)	(1,043)
Earnings before income taxes	22,686	19,025	44,433	38,382
Income taxes	7,752	6,655	15,307	13,440
Net earnings	$14,934	$12,370	$29,126	$24,942
Earnings per share:				
Basic	$ 0.36	$ 0.30	$ 0.71	$ 0.61
Diluted	$ 0.36	$ 0.30	$ 0.70	$ 0.60
Weighted average common shares outstanding:				
Basic	41,279	41,035	41,224	41,000
Diluted	41,681	41,653	41,678	41,627

See notes to consolidated financial statements (unaudited).

TECHNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(unaudited)

	SIX MONTHS ENDED	
	12/31/04	12/31/03
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$29,126	$24,942
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	3,044	3,008
Deferred income taxes	218	79
Losses by equity method investees	147	1,561
Other	77	216
Change in operating assets and operating liabilities:		
Trade accounts and interest receivable	1,831	2,050
Inventories	(547)	(718)
Prepaid expenses	(7)	(207)
Trade and other accounts payable	583	320
Salaries, wages and related accounts	53	182
Income taxes payable	(620)	1,831
Net cash provided by operating activities	33,905	33,264
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(1,001)	(2,685)
Purchase of available-for-sale investments	(93,840)	(62,810)
Proceeds from sales of available-for-sale investments	51,805	25,965
Proceeds from maturities of available-for-sale investments	23,231	12,173
Increase in other long-term assets	--	(400)
Net cash used in investing activities	(19,805)	(27,757)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock	2,501	1,256
Purchase of common stock for stock bonus plans	(260)	--
Payments on long-term debt	(628)	(608)
Net cash provided by financing activities	1,613	648
Effect of exchange rate changes on cash	2,712	2,446
Net increase in cash and cash equivalents	18,425	8,601
Cash and cash equivalents at beginning of period	51,201	39,371
Cash and cash equivalents at end of period	$69,626	$47,972

See notes to consolidated financial statements (unaudited).

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

A. BASIS OF PRESENTATION:

The unaudited consolidated financial statements of Techne Corporation and Subsidiaries (the Company) have been prepared in accordance with accounting principles generally accepted in the United States of America and with instructions to Form 10-Q and Article 10 of Regulation S-X. The accompanying unaudited consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair presentation of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

A summary of significant accounting policies followed by the Company is detailed in the Annual Report to Shareholders for fiscal 2004. The Company follows these policies in preparation of the interim unaudited consolidated financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These unaudited consolidated financial statements should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto for the fiscal year ended June 30, 2004 included in the Company's Annual Report to Shareholders for fiscal 2004.

Recent Accounting Pronouncements:

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement of Accounting Standards No. 123 (Revised 2004) (SFAS No. 123R), Share-Based Payment. SFAS No. 123R is a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation and supersedes Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees and its related implementation guidance. The Statement focuses primarily on accounting for transactions in which an entity obtains employee services through share-based payment transactions. SFAS No 123R requires a public entity measure the cost of employee services received in exchange for the award of equity instruments based on the fair value of the award at the date of grant. The cost will be recognized over the period during which an employee is required to provide services in exchange for the award. SFAS No. 123R is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005 and the Company will adopt the standard in the first quarter of fiscal 2006. While the Company cannot precisely determine the impact on net earnings as a result of the adoption of SFAS No 123R, estimated compensation expense related to prior periods can be found in Note E to the financial statements included in this Form 10-Q and Note A to the financial statements included in the Company's June 30, 2004 Form 10-K. The ultimate amount of increased compensation expense will be dependent on the number of option shares granted during the year, their timing and vesting period and the method used to calculated the fair value of the awards, among other factors.

In November 2004, the FASB issued SFAS No. 151, Inventory Costs. The Statement amends Accounting Research Bulletin No. 43 to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and spoilage. The Statement also requires the allocation of fixed production overheads to inventory be based on normal production capacity. SFAS No. 151 is effective for the Company for inventory costs incurred beginning in fiscal 2006. Adoption of the Statement is not expected to have a significant impact on the Company's consolidated financial statements.

In December 2004, the FASB issued Staff Position No. 109-1, Application of FASB Statement No. 109 (SFAS 109), Accounting for Income Taxes, to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004 (FSP 109-1). FSP 109-1 clarifies that the manufacturer's deduction provided for under the American Jobs Creation Act of 2004 (AJCA) should be accounted for as a special deduction in accordance with SFAS 109 and not as a tax rate reduction. The adoption of FSP 109-1 will have no impact on the Company's results of operations or financial position for fiscal year 2005 because the manufacturer's deduction is not available to the Company until fiscal year 2006. The Company is evaluating the effect that the manufacturer's deduction will have in subsequent years.

The FASB also issued Staff Position No. 109-2, Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004 (FSP 109-2). The AJCA introduces a special one-time dividends received deduction on the repatriation of certain foreign earnings to a U.S. taxpayer provided certain criteria are met. The Company is currently evaluating the effect of repatriation of foreign earnings on consolidated financial results. At the present time, deferred taxes have not been recorded on undistributed earnings of foreign subsidiaries as the amounts are considered permanently invested. If the Company decides to repatriate foreign earnings a one-time charge may be recorded for the deferred taxes.

Reclassification:

Effective with the quarter ended September 30, 2004, the Company reclassified available-for-sale investments with contractual maturities of greater than one year at June 30, 2004, as long-term assets. The reclassification had no impact on net earnings, earnings per share or stockholders' equity as previously reported.

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

	12/31/04	6/30/04
TRADE ACCOUNTS RECEIVABLE		
Trade accounts receivable	$18,972	$20,495
Less allowance for doubtful accounts	171	233
NET TRADE ACCOUNTS RECEIVABLE	$18,801	$20,262
INVENTORIES		
Raw materials	$ 3,418	$ 3,062
Supplies	141	138
Finished goods	4,520	4,257
TOTAL INVENTORIES	$ 8,079	$ 7,457
PROPERTY AND EQUIPMENT		
Land	$ 3,264	$ 3,264
Buildings and improvements	77,374	77,333
Building construction in progress	8,332	8,329
Laboratory equipment	17,698	17,081
Office equipment	3,681	3,367
Leasehold improvements	750	627
	111,099	110,001
Less accumulated depreciation and amortization	31,980	29,497
NET PROPERTY AND EQUIPMENT	$79,119	$80,504
GOODWILL	$38,846	$38,846
Less accumulated amortization	26,306	26,306
NET GOODWILL	$12,540	$12,540

	12/31/04	6/30/04
INTANGIBLE ASSETS		
Customer list	$18,010	$18,010
Technology licensing agreements	730	730
	18,740	18,740
Less accumulated amortization	16,532	15,921
NET INTANGIBLE ASSETS	$ 2,208	$ 2,819

B. EARNINGS PER SHARE:

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

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
Weighted average common shares outstanding-basic	41,279	41,035	41,224	41,000
Dilutive effect of stock options and warrants	402	618	454	627
Weighted average common shares				

outstanding-diluted	41,681	41,653	41,678	41,627

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 was 74,000 and 80,000 for the quarter and six months ended December 31, 2004, respectively, and 508,000 and 532,000 for the same prior-year periods.

On October 28, 2004, warrants to acquire 120,000 shares of common stock were exercised for $1.4 million.

C. SEGMENT INFORMATION:

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

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
External sales				
Hematology	$ 4,515	$ 4,454	$ 8,528	$ 8,735
Biotechnology	24,868	22,799	50,755	46,831
R&D Systems Europe	12,864	11,011	23,883	20,691
Total external sales	$42,247	$38,264	$83,166	$76,257
Intersegment sales				
Biotechnology	$ 5,204	$ 4,967	$10,008	$ 9,588
Total intersegment sales	$ 5,204	$ 4,967	$10,008	$ 9,588
Earnings before income taxes				
Hematology	$ 1,804	$ 1,611	$ 3,056	$ 3,041
Biotechnology	16,421	14,896	33,589	30,724
R&D Systems Europe	5,331	4,048	9,729	7,397
Corporate and other	(870)	(1,530)	(1,941)	(2,780)
Total earnings before income taxes	$22,686	$19,025	$44,433	$38,382

D. CONTINGENCIES:

The Company's tax returns are subject to audit by various governmental entities in the normal course of business. The Company had received an audit assessment of $1.75 million, plus interest, from the State of Minnesota for fiscal years 2000 to 2002. The Company appealed the assessment and in October 2004, reached a settlement with the State of Minnesota for $525,000, plus interest of $81,000. The settlement amount of $525,000 was fully accrued for at June 30, 2004. Interest of $81,000 was included in interest expense in the first quarter of fiscal 2005.

E. STOCK OPTIONS:

As permitted through June 30, 2005 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. In December 2004, the Financial Accounting Standards Board issued Statement of Accounting Standards No. 123 (Revised 2004) (SFAS No. 123R), Share-Based Payment. The Statement requires the recognition of compensation cost for equity instruments issued to employees based on the fair value at the date of grant. SFAS No. 123R is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005 and the Company will adopt the standard in the first quarter of fiscal 2006.

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, the Company's net earnings and earnings per share would have been as follows (in thousands, except per share data):

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
Net earnings:				
As reported	$14,934	$12,370	$29,126	$24,942
Less employee stock-based compensation, net of tax effect	694	2,120	1,198	2,214
Pro forma	$14,240	$10,250	$27,928	$22,728
Basic earnings per share:				
As reported	$ 0.36	$ 0.30	$ 0.71	$ 0.61
Less employee stock-based compensation, net of tax effect	0.02	0.05	0.03	0.06
Pro forma	$ 0.34	$ 0.25	$ 0.68	$ 0.55
Diluted earnings per share:				
As reported	$ 0.36	$ 0.30	$ 0.70	$ 0.60
Less employee stock-based compensation, net of tax effect	0.02	0.05	0.03	0.05
Pro forma	$ 0.34	$ 0.25	$ 0.67	$ 0.55

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:

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
Dividend yield	--	--	--	--
Expected annualized volatility	52%	48%-53%	52%-56%	48%-53%
Risk free interest rates	3.7%-3.9%	3.9%-4.3%	3.2%-3.9%	3.9%-4.4%
Expected lives	7 years	7 years	6 years	7 years

F. SUBSEQUENT EVENT

On January 3, 2005, the Company acquired property adjacent to its Minneapolis facility for $10.4 million, $2 million of which was deposited in escrow in fiscal 2002. The remaining purchase price was funded through cash on hand. A portion of the property is currently leased to third parties and the Company plans to continue to lease out the building until the space is needed for its own operations.

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

Results of Operations for the Quarter and Six Months Ended December 31, 2004 and the Quarter and Six Months Ended December 31, 2003

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 21% and 17% for the quarter and six months ended December 31, 2004 compared to the quarter and six months ended December 31, 2003. The primary reason for the increase was increased net sales. Net sales for the quarter and six months ended December 31, 2004, increased 10% and 9%, respectively, from the same periods in the prior year. 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 $306,000 and $620,000 for the quarter and six months ended December 31, 2004, respectively. The Company generated cash of $33.9 million from operating activities in the first six months of fiscal 2004 and cash, cash equivalents and available-for-sale investments were $214 million at December 31, 2004 compared to $177 million at June 30, 2004.

Net Sales

Net sales for the quarter ended December 31, 2004 were $42.2 million, an increase of $4 million (10%) from the quarter ended December 31, 2003. Net sales for the six months ended December 31, 2004 were $83.2 million, an increase of $6.9 million (9%) from the prior-year period. Excluding the effect of changes in foreign currency exchange rates, consolidated net sales increased 7% and 6% for the quarter and six months ended December 31, 2004. R&D Systems' Biotechnology Division net sales increased $2.1 million (9%) and $3.9 million (8%), respectively for the quarter and six months ended December 31, 2004. R&D Europe net sales increased $1.9 million (17%) and $3.2 million (15%) for the quarter and six months ended December 31, 2004, respectively. Approximately $1.1 million and $2.2 million of the increase in R&D Europe net sales for the quarter and six months was the result of favorable exchange rates used in converting British pounds to U.S. dollars. In British pounds, R&D Europe net sales increased 7% and 4% for the quarter and six months ended December 31, 2004. R&D Systems' Hematology Division net sales increased $61,000 (1%) for the quarter, while net sales for the six months ended December 31, 2004, decreased $207,000 (2%).

During the second quarter of fiscal 2005 a large OEM customer notified the Hematology Division that they were changing to a new primary vendor for certain controls and calibrators. Although the Hematology Division will continue to manufacture products for the customer as a secondary supplier, it is anticipated that the effect on revenues will be a reduction of approximately $450,000 and $850,000 in the third and fourth quarters of fiscal 2005, respectively. The reduction in Hematology Division revenues is not expected to have a significant impact on consolidated earnings and revenues.

Cost of Sales

The manufacturing process for proteins and antibodies has and may continue to produce quantities in excess of forecasted usage. The Company values its manufactured protein and antibody inventory based on a two-year forecast. Protein and antibody quantities in excess of the two-year usage forecast are considered impaired and not included in the inventory value. The value of protein and antibody inventory does not change significantly from quarter to quarter. Protein and antibody production is generally for high-volume products or for new products with limited initial sales. The Company capitalizes protein and antibody costs each period in inventory, however given the insignificant changes in these inventory balances each quarter, substantially all manufacturing costs for proteins and antibodies, consisting largely of wages, benefits, facility and equipment costs, are expensed each quarter. A change in inventory value as a result of changes in the two-year forecast is reflected in cost of sales in the period of change. Manufacturing costs and changes in inventory value for proteins and antibodies charged to cost of sales were $1.6 million and $1.6 million for the quarters ended December 31, 2004 and 2003, respectively. For the six months ended December 31, 2004 and 2003, manufacturing costs and changes in inventory value for proteins and antibodies charged to cost of sales were $3.3 million and $3.1 million, respectively.

Gross Margins

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

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
Hematology Division	52.1%	47.4%	48.6%	46.3%
Biotechnology Division	79.8%	80.1%	80.0%	79.7%
R&D Systems Europe	54.0%	50.4%	53.0%	49.8%
Consolidated	78.8%	77.9%	78.6%	77.6%

Consolidated gross margins for the quarter and six months ended December 31, 2004 improved from the quarter and six months ended December 31, 2003 mainly as a result of lower cost of sales at R&D Europe due to favorable exchange rates as a result of a weaker U.S. dollar to the British pound.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the quarter and six months ended December 31, 2004, increased $771,000 (14%) and $1,322,000 (12%), respectively from the same periods of last year.

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
Hematology Division	$ 436	$ 383	$ 845	$ 774
Biotechnology Division	3,415	2,949	6,388	5,600
R&D Europe	2,194	1,891	3,916	3,590
Corporate expenses	245	296	775	638
Total selling, general and administrative	$ 6,290	$ 5,519	$11,924	$10,602

Biotechnology Division selling, general and administrative expenses increased $466,000 (16%) and $788,000 (14%) for the quarter and six months ended December 31, 2004. The majority of the increase was a result of increased personnel costs related to annual wage increases and additional sales and marketing personnel (increases of $222,000 and $438,000 for the quarter and six months, respectively) and increased advertising and promotion expenditures (increases of $85,000 and $100,000 for the quarter and six months, respectively). The increase in R&D Europe selling, general and administrative expenses of $303,000 and $326,000 for the quarter and six months ended December 31, 2004, was primarily the result of the change in foreign currency exchange rates used to convert results from British pounds to U.S. dollars. R&D Europe selling, general and administrative expenses increased 69,000 British pounds for the quarter and decreased 31,000 British pounds for the six months ended December 31, 2004. Corporate expenses increased for the six months ended December 31, 2004 as a result of increased legal ($100,000) and consulting fees ($72,000) in the first quarter of fiscal 2005.

Research and Development Expenses

Research and development expenses are composed of the following (in thousands):

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
Hematology Division expenses	$ 189	$ 190	$ 377	$ 381
Biotechnology Division expenses	4,430	4,307	8,930	8,471
ChemoCentryx, Inc. losses	--	828	--	1,264
Discovery Genomics, Inc. losses	--	125	--	297
Total research and development Expenses	$ 4,619	$ 5,450	$ 9,307	$10,413

Research and development expenses decreased $831,000 (15%) and $1.1 million (11%) for the quarter and six months ended December 31, 2004, respectively. Included in research and development expenses for the quarter and six months ended December 31, 2003 were the Company's share of losses by ChemoCentryx, Inc. (CCX) and Discovery Genomics, Inc. (DGI), companies in which the Company has invested. In May 2004, the Company changed from the equity method to the cost method of accounting for its investment in CCX and no longer records its share of CCX losses in its consolidated results. The change to the cost method of accounting for CCX was the result of the Company's ownership percentage declining below 20% and qualitative factors which indicated that the Company does not exercise significant influence over the operations of CCX. The Company's net investment in CCX at December 31, 2004 was $5.1 million. In the fourth quarter of fiscal 2004, the Company wrote off its investment in DGI as an impairment loss. Excluding CCX and DGI losses, research and development expenses for the quarter and six months ended December 31, 2004 increased $122,000 (3%) and $455,000 (5%), respectively, mainly as a result of wage increases.

Other Non-operating Expense and Income

Other non-operating expense and income consists mainly of foreign currency transaction gains, rental income, real estate taxes, depreciation and utility expenses related to properties not used in operations, and the Company's share of losses by Hemerus Medical, LLC (Hemerus), in which the Company invested in January 2004. As Hemerus is a limited liability corporation, the Company is required to account for its investment using the equity method of accounting.

	QUARTER ENDED		SIX MONTHS ENDED	
	12/31/04	12/31/03	12/31/04	12/31/03
Foreign currency gains	$ (82)	$ (129)	$ (35)	$ (213)
Rental income	(53)	(46)	(72)	(65)
Real estate taxes/utilities	478	195	842	376
Hemerus Medical, LLC losses	73	--	147	--
Total other non-operating expense (income)	$ 416	$ 20	$ 882	$ 98

The Company's net investment in Hemerus at December 31, 2004 was $2.8 million. The Company has financial exposure to the losses of Hemerus to the extent of its net investment in the company. 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.

Income Taxes

Income taxes for the quarter and six months ended December 31, 2004 were provided at rates of approximately 34.2% and 34.4% of consolidated earnings before income taxes compared to 35.0% for both the quarter and six months ended December 31, 2003. The decrease in the effective tax rate was due to the reduction of non-deductible losses by CCX and DGI. U.S. federal taxes have been reduced by the credit for research and development expenditures and the benefit for extraterritorial income. 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 the remainder of fiscal 2005 to range from 34% to 36%.

Liquidity and Capital Resources

At December 31, 2004, cash and cash equivalents and available-for-sale investments were $213.8 million compared to $176.6 million at June 30, 2004. The Company believes it can meet its future cash, working capital and capital addition requirements through currently available funds, cash generated from operations and maturities of short-term available-for-sale investments. The Company has an unsecured line of credit of $750,000. The interest rate on the line of credit is at prime. There were no borrowings on the line in the prior or current fiscal year.

Cash Flows From Operating Activities

The Company generated cash of $33.9 million from operating activities in the first six months of fiscal 2005 compared to $33.3 million in the first six months of fiscal 2004. The increase was mainly the result of increased earnings in the current year partially offset by a decrease in income taxes payable. The decrease in income taxes payable was the result of approximately $4.0 million in additional tax payments made in the first six months of fiscal 2005 compared to the first six months of last year.

Cash Flows From Investing Activities

Capital expenditures for fixed assets for the first six months of fiscal 2005 and 2004 were $1.0 million and $2.7 million, respectively. Included in fiscal 2004 capital additions was $1.7 million related to property in southeast Minnesota. The Company acquired the property in fiscal 2003 and in fiscal 2004 constructed additional facilities at this site. The remaining capital additions in the first six months of fiscal 2005 and 2004 were for laboratory and computer equipment and remodeling of laboratory space.

Remaining expenditures in fiscal 2005 for laboratory and computer equipment are expected to be approximately $1.0 million. The Company acquired property in Minneapolis in January 2005 for $10.4 million, $2 million of which was deposited in escrow in fiscal 2002. The remaining purchase price was financed through cash on hand. The Company also plans, in late fiscal 2005 and early fiscal 2006, an estimated $8 million build-out of laboratory space at its Minneapolis facility and construction of an $800,000 barn on its property in southeast Minnesota. These expenditures are expected to be financed through currently available funds and cash generated from operating activities.

During the six months ended December 31, 2004, the Company purchased $93.8 million and had sales or maturities of $75.0 million of available-for-sale investments. During the six months ended December 31, 2003, the Company purchased $62.8 million and had sales or maturities of $38.1 million of available-for-sale investments. The Company's investment policy is to place excess cash in bonds and other investments with maturities of less than three years. The objective of this policy is to obtain the highest possible return with minimal risk, while keeping the funds accessible.

Cash Flows From Financing Activities

Cash of $1.4 million was received during the six months ended December 31, 2004 for the exercise of warrants to purchase 120,000 shares of common stock.

Cash of $1.1 million and $1.3 million was received during the six months ended December 31, 2004 and 2003, respectively, for the exercise of options for 39,000 and 126,000 shares of common stock. During the first six months of fiscal 2005 options for 6,120 shares of common stock were exercised by the surrender of 1,190 shares of the Company's common stock with a fair market value of $45,000.

In the first six months of fiscal 2005, the Company purchased 6,410 shares of common stock for its employee Stock Bonus Plans. These shares, along with 17,411 previously purchased shares, were issued to the Company's Stock Bonus Plans on September 15, 2004, to settle the fiscal 2004 accrued liability balance of $966,000.

The Company has never paid cash dividends and has no plans to do so in fiscal 2005.

Critical Accounting Policies

The Company's significant accounting policies are discussed in the Company's Annual Report to Shareholders for fiscal 2004. The application of certain of these policies requires judgments and estimates that can affect the results of operations and financial position of the Company. Management believes the following accounting policies are critical to the preparation of the consolidated financial statements. The following should be read in conjunction with the more complete discussion of the Company's accounting policies included in the Annual Report to Shareholders for fiscal 2004.

Accounts receivable. The Company continually monitors collections from its customers and maintains a provision for estimated credit losses based upon historical experience and specific collection issues that have been identified. If financial conditions of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventory. The manufacturing process for proteins and antibodies has and may continue to produce quantities in excess of forecasted usage. The Company values its manufactured protein and antibody inventory based on a two-year forecast. Any protein and antibody quantities in excess of its two-year usage forecast is considered impaired and not included in the inventory value. Any significant 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.

Goodwill, intangible and other long-lived assets. The Company periodically assesses the impairment of goodwill, intangible and other long-lived assets. If any such assets were determined to be impaired, the carrying value of the asset would be written down to its fair value.

Investments. The accounting treatment (cost or equity method) of the Company's equity investments in start-up and early development stage companies is dependent on a number of factors, including, but not limited to, the Company's ownership percentage and the Company's ability to exercise significant influence over the operations and financial policies of the investee.

Income taxes. The Company's tax returns are subject to audit by various governmental entities in the normal course of business. Audits can involve complex issues, which may require extended periods of time to resolve. The Company believes that adequate provisions for income taxes have been made in the consolidated financial statements. See also Note D to these financial statements.

Recent Accounting Pronouncements:

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement of Accounting Standards No. 123 (Revised 2004) (SFAS No. 123R), Share-Based Payment. SFAS No. 123R is a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation and supersedes Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees and its related implementation guidance. The Statement focuses primarily on accounting for transactions in which an entity obtains employee services through share-based payment transactions. SFAS No 123R requires a public entity measure the cost of employee services received in exchange for the award of equity instruments based on the fair value of the award at the date of grant. The cost will be recognized over the period during which an employee is required to provide services in exchange for the award. SFAS No. 123R is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005 and the Company will adopt the standard in the first quarter of fiscal 2006. While the Company cannot precisely determine the impact on net earnings as a result of the adoption of SFAS No 123R, estimated compensation expense related to prior periods can be found in Note E to the financial statements included in this Form 10-Q and Note A to the financial statements included in the Company's June 30, 2004 Form 10-K. The ultimate amount of increased compensation expense will be dependent on the number of option shares granted during the year, their timing and vesting period and the method used to calculated the fair value of the awards, among other factors.

In November 2004, the FASB issued SFAS No. 151, Inventory Costs. The Statement amends Accounting Research Bulletin No. 43 to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and spoilage. The Statement also requires the allocation of fixed production overheads to inventory be based on normal production capacity. SFAS No. 151 is effective for the Company for inventory costs incurred beginning in fiscal 2006. Adoption of the Statement is not expected to have a significant impact on the Company's consolidated financial statements.

In December 2004, the FASB issued Staff Position No. 109-1, Application of FASB Statement No. 109 (SFAS 109), Accounting for Income Taxes, to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004 (FSP 109-1). FSP 109-1 clarifies that the manufacturer's deduction provided for under the American Jobs Creation Act of 2004 (AJCA) should be accounted for as a special deduction in accordance with SFAS 109 and not as a tax rate reduction. The adoption of FSP 109-1 will have no impact on the Company's results of operations or financial position for fiscal year 2005 because the manufacturer's deduction is not available to the Company until fiscal year 2006. The Company is evaluating the effect that the manufacturer's deduction will have in subsequent years.

The FASB also issued Staff Position No. 109-2, Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004 (FSP 109-2). The AJCA introduces a special one-time dividends received deduction on the repatriation of certain foreign earnings to a U.S. taxpayer provided certain criteria are met. The Company is currently evaluating the effect of repatriation of foreign earnings on consolidated financial results. At the present time, deferred taxes have not been recorded on undistributed earnings of foreign subsidiaries as the amounts are considered permanently invested. If the Company decides to repatriate foreign earnings a one-time charge may be recorded for the deferred taxes.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At December 31, 2004, the Company had a professionally managed investment portfolio of fixed income securities, excluding those classified as cash and cash equivalents, of $144 million. 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. subsidiary and European operations 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 $1.2 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 December 31, 2004 and 2003, the Company had $22,000 and

$354,000, respectively, of dollar denominated intercompany debt at its U.K. subsidiary. At December 31, 2004 and 2003, the U.K. subsidiary had $292,000 and $413,000, respectively, of 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 100,000 British pounds ($198,000) and 73,000 British pounds ($129,000) for the quarters ended December 31, 2004 and 2003, respectively. For the six months ended December 31, 2004 and 2003, the Company's U.K. subsidiary recognized net foreign currency gains of 122,000 British pounds($238,000) and 122,000 British pounds ($213,000), respectively. The Company's German subsidiary recognized net foreign currency losses of 81,000 euros ($116,000) and 153,000 euros ($203,000) for the quarter and six months ended December 31, 2004. 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 December 31, 2004, the Company's long-term debt of $14.0 million consisted of a mortgage note payable with a floating interest rate at the one-month LIBOR rate plus 2.5% with a floor of 4%. The floating interest rate on the mortgage note payable was 4.7% as of December 31, 2004.

ITEM 4 - 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. During the quarter, the Company separated its Chief Executive Officer and Chief Financial Officer functions when it appointed Gregory J. Melsen as Vice President of Finance and Chief Financial Officer. There was no additional 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 II. OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

See Item 3 of the Registrant's Annual Report of Form 10-K for the fiscal year ended June 30, 2004.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On October 28, 2004 the Company issued 120,000 shares of Common Stock to an investor for $1.4 million upon exercise of outstanding warrants at $11.89 per share. The above securities were issued in reliance on the exemption from registration provided by Rule 506 of Regulation D promulgated under Section 4/(2) of the Securities Act of 1933. The certificate representing the securities bears a restricted legend.

The following table sets forth the repurchases of Company Common Stock for the quarter ended December 31, 2004:

Total Number of Shares	Average Price Paid	Total Number of Shares Purchased as Part of Publicly Announced Plans or	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans

Period	Purchased	Per Share	Programs	or Programs
10/1/04-10/31/04	0	--	0	$6.8 million
11/1/04-11/30/04	0	--	0	$6.8 million
12/1/04-12/31/04	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 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - SUBMISSION OF MATTERS TO VOTE OF SHAREHOLDERS

Information relating to the Company's Annual Meeting of Shareholders, held on October 21, 2004 is contained in the Company's Form 10-Q for the quarter ended September 30, 2004, which is incorporated herein by reference.

ITEM 5 - OTHER INFORMATION

Forward Looking Information and Cautionary Statements: Statements in this filing, and elsewhere, which look forward in time involve risks and uncertainties which may affect the actual results of operations. The following important factors, among others, have affected and, in the future, could affect the Company's actual results: the introduction and acceptance of new biotechnology and hematology products, the levels and particular directions of research by the Company's customers, the impact of the growing number of producers of biotechnology research products and related price competition, the retention of hematology OEM (private label) and proficiency survey business, the impact of changes in foreign currency exchange rates, and the costs and results of research and product development efforts of the Company and of companies in which the Company has invested or with which it has formed strategic relationships. For additional information concerning such factors, see the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

ITEM 6 - EXHIBITS

See exhibit index following.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TECHNE CORPORATION

(Company)

Date: February 8, 2005 /s/ Thomas E. Oland

President, Chief Executive Officer

February 8, 2005 /s/ Gregory Melsen

Chief Financial Officer

EXHIBIT INDEX
TO
FORM 10-Q

TECHNE CORPORATION

Exhibit #	Description
31.1	Section 302 Certification
31.2	Section 302 Certification
32.1	Section 906 Certification
32.2	Section 906 Certification

CERTIFICATION

I, Thomas E. Oland, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 most recent fiscal 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: February 8, 2005

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

CERTIFICATION

I, Gregory J.Melsen, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 most recent fiscal 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: February 8, 2005

/s/ Gregory J. Melsen
- ---------------------
Gregory J. Melsen
Chief Financial Officer

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 Quarterly Report of Techne Corporation (the "Company") On Form 10-Q for the quarter ended December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. Oland, Chief Executive 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
February 8, 2005

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 Quarterly Report of Techne Corporation (the "Company") On Form 10-Q for the quarter ended December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory J. Melsen,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/ Gregory J. Melsen

Chief Financial Officer
February 8, 2005