

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): October 25, 2006

TECHNE CORPORATION
(Exact Name of Registrant as Specified in Charter)

| | | |
|---|-----------------------------|--|
| Minnesota | 0-17272 | 41-1427402 |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | I.R.S. Employer Identification No.) |

| | |
|--|------------|
| 614 Mckinley Place NE | |
| Minneapolis, MN | 55413 |
| (Address of Principal Executive Offices) | (Zip Code) |

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

Not Applicable
(Former Name or Former Address, if changed since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- // Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- // Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- // Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- // Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

A copy of the press release issued by Techne Corporation on October 25, 2006, describing the results of operations for the quarter ended September 30, 2006 and its financial condition as of September 30, 2006, is attached hereto as Exhibit 99.1.

Segment information for Techne Corporation for the quarter ended September 30, 2006 which has been included on Techne Corporation's website (www.techne-corp.com), is attached hereto as Exhibit 99.2.

The information in this Form 8-K and the Exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated October 25, 2006.

99.2 Segment information for the quarter ended September 30, 2006.

SIGNATURE

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

Dated: October 25, 2006 TECHNE CORPORATION

By: /s/ Thomas E. Oland

Name: Thomas E. Oland

Title: President and Chief

Executive Officer

EXHIBIT INDEX

Exhibit No. Description

99.1 Press release of Techne Corporation dated October 25, 2006.

99.2 Segment information for Techne Corporation for the quarter ended September 30, 2006.

TECHNE CORPORATION RELEASES UNAUDITED FIRST QUARTER
RESULTS FOR FISCAL YEAR 2007

Minneapolis/October 25, 2006/--Techne Corporation's (NASDAQ: TECH) consolidated net earnings for the quarter ended September 30, 2006 increased 15.5% to \$19.6 million and its earnings per diluted share increased 16.3% to \$0.50 compared with \$17.0 million and \$.43 per diluted share for the quarter ended September 30, 2005. The improvement in results was mainly due to increased consolidated net sales and improved gross margin percentages.

Consolidated net sales for the quarter ended September 30, 2006 were \$52.4 million, an increase of 9.7% from the quarter ended September 30, 2005. Biotechnology net sales for the quarter ended September 30, 2006 were \$35.9 million, an increase of 11.2% from the quarter ended September 30, 2005. Approximately \$700,000 of the increase in biotechnology net sales for the quarter was the result of price increases. R&D Europe's net sales for the quarter ended September 30, 2006 were \$12.9 million, an increase of 8.9% from the first quarter of the prior year. In British pound sterling, R&D Europe's net sales increased 2.7% from the same quarter of the prior year. Hematology net sales for the quarter ended September 30, 2006 were \$3.5 million, a decrease of 0.9% as compared to the quarter ended September 30, 2005.

Consolidated gross margins were 78.5% for the quarter ended September 30, 2006 compared to 76.7% for the quarter ended September 30, 2005. Biotechnology gross margins were 79.6% for the quarter ended September 30, 2006 compared to 77.5% for the quarter ended September 30, 2005, mainly as a result of changes in product mix. Biotechnology gross margins were also affected by purchase accounting related to inventory on hand at the acquisition date of Fortron and BiosPacific in fiscal 2006. Included in cost of sales for the quarters ended September 30, 2006 and 2005 were \$291,000 and \$575,000, respectively, related to inventory purchase accounting.

Consolidated net earnings and diluted earnings per share for the quarter ended September 30, 2006 were impacted slightly by the change in exchange rates from the quarter ended September 30, 2006, used to convert R&D Europe results from British pound sterling to U.S. dollars. The change in exchange rates increased consolidated net earnings approximately \$206,000 for the quarter ended September 30, 2006.

In September 2006, the Company invested \$7.2 million for an 18% equity interest in Nephromics, LLC. Nephromics has licensed technology related to the diagnosis of preeclampsia and has sub-licensed the technology to several major diagnostic companies for the development of diagnostic assays.

The Company is currently considering paying off its \$13.1 million mortgage debt during the quarter ended December 31, 2006. The interest rate on the mortgage is at a floating rate, which is currently at 7.8%. Interest expense for the quarter ended September 30, 2006 was \$268,000. The mortgage note has a 5% prepayment penalty. The Company estimates that prepayment of the mortgage would result in a reduction in diluted earnings per share of approximately \$.01 in the quarter of payment.

Forward Looking Statements:

This earnings release contains forward-looking statements within the meaning of the Private Litigation Reform Act. These statements, including the possibility of prepaying the mortgage and the associated financial impact, involve risks and uncertainties that 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 and proficiency survey business, the impact of currency exchange rate fluctuations, 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 and quarterly reports on Form 10-Q as filed with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements we make in this release due to new information or future events. Investors are cautioned not to place undue emphasis on these

statements.

* * * * *

Techne Corporation has two operating subsidiaries: Research and Diagnostic Systems, Inc. (R&D Systems) of Minneapolis, Minnesota and R&D Systems Europe, Ltd. (R&D Europe) of Abingdon, England. R&D Systems is a specialty manufacturer of biological products. R&D Systems has two subsidiaries, Fortron Bio Science, Inc. (Fortron), located in Minneapolis, and BiosPacific, Inc. (BiosPacific), located in Emeryville, California. Fortron develops and manufactures antibodies and BiosPacific is a worldwide supplier of biologics to manufacturers of in vitro diagnostic systems and immunodiagnostic kits. R&D Europe is a distributor of biotechnology products.

Contact: Greg Melsen, Chief Financial Officer
 Kathy Backes, Controller
 (612) 379-8854

TECHNE CORPORATION
 CONSOLIDATED STATEMENTS OF EARNINGS
 (In thousands, except per share data)
 (Unaudited)

| | QUARTER ENDED | |
|---|---------------|----------|
| | 9/30/06 | 9/30/05 |
| Net sales | \$52,351 | \$47,709 |
| Cost of sales | 11,237 | 11,096 |
| Gross margin | 41,114 | 36,613 |
| Operating expenses: | | |
| Selling, general and administrative | 7,067 | 6,454 |
| Research and development | 4,855 | 4,717 |
| Amortization of intangible assets | 403 | 492 |
| Total operating expenses | 12,325 | 11,663 |
| Operating income | 28,789 | 24,950 |
| Other expense (income): | | |
| Interest expense | 268 | 223 |
| Interest income | (1,676) | (974) |
| Other non-operating expense (income), net | | 485 211 |
| Total other expense (income) | (923) | (540) |
| Earnings before income taxes | 29,712 | 25,490 |
| Income taxes | 10,081 | 8,489 |
| Net earnings | \$19,631 | \$17,001 |
| Earnings per share: | | |
| Basic | \$ 0.50 | \$ 0.44 |
| Diluted | \$ 0.50 | \$ 0.43 |
| Weighted average common shares outstanding: | | |
| Basic | 39,379 | 38,754 |
| Diluted | 39,469 | 39,669 |

TECHNE CORPORATION
 CONSOLIDATED BALANCE SHEETS
 (In thousands)
 (Unaudited)

| | 9/30/06 | 6/30/06 |
|---|-----------|-----------|
| ASSETS | | |
| Cash and equivalents | \$ 97,827 | \$ 89,634 |
| Short-term available-for-sale investments | 22,704 | 19,212 |
| Trade accounts receivable | 24,466 | 23,769 |
| Other receivables | 1,218 | 1,309 |
| Inventory | 8,982 | 9,024 |

| | | |
|-------------------------------------|------------|------------|
| Other current assets | 7,286 | 6,874 |
| | ----- | ----- |
| Current assets | 162,483 | 149,822 |
| Available-for-sale investments | 76,596 | 77,660 |
| Property and equipment, net | 89,418 | 88,772 |
| Goodwill and intangible assets, net | 31,618 | 32,021 |
| Other non-current assets | 29,090 | 22,237 |
| | ----- | ----- |
| Total assets | \$ 389,205 | \$ 370,512 |
| | ===== | ===== |
| LIABILITIES | | |
| Current liabilities | \$ 15,606 | \$ 17,966 |
| Long-term debt | 11,902 | 12,198 |
| Stockholders' equity | 361,697 | 340,348 |
| | ----- | ----- |
| Total liabilities and equity | \$ 389,205 | \$ 370,512 |
| | ===== | ===== |

SEGMENT INFORMATION
TECHNE CORPORATION AND SUBSIDIARIES
(in thousands of \$'s, except per share data)

| | Increase (Decrease) | | |
|---|---------------------|---------------------|------------------|
| | Fiscal 2007 | From Fiscal 2006 | |
| | First Quarter | Percent Of Sales | First Quarter |
| Sales | 52,351 | 100% | 4,642 |
| Cost of sales | 11,237 | 21% | 141 |
| Gross margin | 41,114 | 79% | 4,501 |
| Gross margin percentage | 78.5% | | |
| SG&A expense | 7,067 | 13% | 613 |
| R&D expense | 4,855 | 9% | 138 |
| Amortization expense | 403 | 1% | (89) |
| Interest expense | 268 | 1% | 45 |
| Interest income | (1,676) | (3%) | (702) |
| Other non-operating ex., net | 485 | 1% | 274 |
| | 11,402 | 22% | 279 |
| Earnings before income taxes | 29,712 | 57% | 4,222 |
| Income taxes | 10,081 | 20% | 1,592 |
| | 19,631 | 37% | 2,630 |
| Diluted earnings per share | .50 | | |
| Weighted average diluted shares outstanding | 39,469 | | |

BIOTECHNOLOGY (1)
(in thousands of \$'s)

| | Increase (Decrease) | | |
|-------------------------|---------------------|---------------------|------------------|
| | Fiscal 2007 | From Fiscal 2006 | |
| | First Quarter | Percent Of Sales | First Quarter |
| Sales | 41,621 | 100% | 4,022 |
| Intersegment sales | (5,699) | | (400) |
| | 35,922 | | 3,622 |
| Cost of sales | 8,482 | 20% | 12 |
| Intersegment sales | (5,524) | | (201) |
| | 2,958 | | (189) |
| Gross margin | 32,964 | 80% | 3,811 |
| Gross margin percentage | 79.6% | | |
| SG&A expense | 4,013 | 10% | 374 |
| R&D expense | 4,675 | 11% | 143 |
| Amortization expense | 403 | 1% | (89) |
| Interest, net | (595) | (1%) | (327) |
| | 8,496 | 21% | 101 |
| Pretax result | 24,468 | 59% | 3,710 |

(1) Includes R&D Systems' Biotechnology Division, Fortron Bio Science, Inc., and BiosPacific, Inc.

| R&D SYSTEMS EUROPE | | | |
|--|------------------|---------------------|---|
| (in thousands of British pound sterling) | | | |
| | Fiscal 2007 | | Increase (Decrease) From Fiscal 2006 |
| | First Quarter | Percent Of Sales | First Quarter |
| Sales | 6,870 | 100% | 180 |
| Cost of sales | 3,285 | 48% | (7) |
| Gross margin | 3,585 | 52% | 187 |
| Gross margin percentage | 52.2% | | |
| SG&A expense | 1,074 | 16% | 70 |
| Interest income | (410) | (6%) | (84) |
| Exchange loss/(gain) | 78 | 1% | 63 |
| | 742 | 11% | 49 |
| Pretax result | 2,843 | 41% | 138 |

| R&D SYSTEMS EUROPE | | | |
|-------------------------|------------------|---------------------|---|
| (in thousands of \$'s) | | | |
| | Fiscal 2007 | | Increase (Decrease) From Fiscal 2006 |
| | First Quarter | Percent Of Sales | First Quarter |
| Sales | 12,927 | 100% | 1,052 |
| Cost of sales | 6,181 | 48% | 337 |
| Gross margin | 6,746 | 52% | 715 |
| Gross margin percentage | 52.2% | | |
| SG&A expense | 2,020 | 16% | 238 |
| Interest income | (771) | (6%) | (192) |
| Exchange loss | 147 | 1% | 119 |
| | 1,396 | 11% | 165 |
| Pretax result | 5,350 | 41% | 550 |

| HEMATOLOGY | | | |
|-------------------------|------------------|---------------------|---|
| (in thousands of \$'s) | | | |
| | Fiscal 2007 | | Increase (Decrease) From Fiscal 2006 |
| | First Quarter | Percent Of Sales | First Quarter |
| Sales | 3,502 | 100% | (32) |
| Cost of sales | 2,098 | 60% | (7) |
| Gross margin | 1,404 | 40% | (25) |
| Gross margin percentage | 40.1% | | |
| SG&A expense | 398 | 11% | 14 |
| R&D expense | 180 | 5% | (5) |
| Interest, net | (81) | (2%) | (44) |

| | | | |
|---------------|-------|-------|-------|
| | ----- | ----- | ----- |
| | 497 | 14% | (35) |
| | ----- | ----- | ----- |
| Pretax result | 907 | 26% | 10 |
| | ===== | ===== | ===== |

CORPORATE AND OTHER (2)

(in thousands of \$'s)

| | Increase (Decrease) | |
|-------------------------|---------------------|------------------|
| | Fiscal 2007 | From Fiscal 2006 |
| | First Quarter | First Quarter |
| | ----- | ----- |
| Interest income | 229 | 139 |
| Rental income | 299 | (43) |
| | ----- | ----- |
| | 528 | 96 |
| SG&A expense | 636 | (13) |
| Interest expense | 268 | 45 |
| Other-Building expenses | 510 | 67 |
| Other-Hemerus losses | 127 | 45 |
| | ----- | ----- |
| | 1,541 | 144 |
| | ----- | ----- |
| Pretax result | (1,013) | (48) |
| | ===== | ===== |

(2) Unallocated corporate expenses and Techne's share of losses by Hemerus Medical, LLC.