

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 1998, or

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

For the transition period from _____ to _____

Commission file number 0-17272

TECHNE CORPORATION

(Exact name of registrant as specified in its charter)

MINNESOTA (State or other jurisdiction of incorporation or organization)	41-1427402 (I.R.S. Employer Identification No.)
614 MCKINLEY PLACE N.E. MINNEAPOLIS, MN 55413 (Address of principal executive offices)	(612) 379-8854 (Registrant's telephone number, including area code)

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

At November 2, 1998, 20,043,189 shares of the Company's Common Stock (par value \$.01) were outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

TECHNE CORPORATION & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<TABLE>
<CAPTION>

	9/30/98	6/30/98
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	\$ 10,625,749	\$ 27,372,345
Short-term investments	10,998,142	15,321,935
Accounts receivable (net)	12,989,870	10,001,937
Inventories	9,209,031	3,810,600
Deferred income taxes	1,675,000	1,583,000
Other current assets	588,846	431,187
Total current assets	46,086,638	58,521,004
Deferred income taxes	2,092,000	1,798,000
Fixed assets (net)	12,526,629	11,687,300
Intangible assets (net)	52,726,412	293,854
Other assets	509,601	618,723

TOTAL ASSETS	\$113,941,280	\$ 72,918,881
--------------	---------------	---------------

LIABILITIES & EQUITY

Trade accounts payable	\$ 3,702,276	\$ 2,203,130
Salary and related accruals	1,289,856	2,005,428
Other payables	4,872,710	1,039,334
Income taxes payable	3,283,348	2,185,122

Total current liabilities	13,148,190	7,433,014
---------------------------	------------	-----------

Deferred rent	1,732,200	1,655,100
---------------	-----------	-----------

Royalty payable	15,228,000	-
-----------------	------------	---

Common stock, par value \$.01 per share; authorized 50,000,000; issued and outstanding 20,056,089

and 19,049,983, respectively	200,561	190,500
------------------------------	---------	---------

Additional paid-in capital	31,454,844	13,714,445
----------------------------	------------	------------

Retained earnings	51,557,595	49,446,319
-------------------	------------	------------

Accumulated foreign currency translation adjustments	619,890	479,503
--	---------	---------

Total stockholders' equity	83,832,890	63,830,767
----------------------------	------------	------------

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$113,941,280	\$ 72,918,881
--	---------------	---------------

</TABLE>

See notes to unaudited Consolidated Financial Statements.

TECHNE CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

<TABLE>

<CAPTION>

QUARTER ENDED

9/30/98	9/30/97
---------	---------

<S>

<C>	<C>
-----	-----

Sales	\$21,335,192	\$15,537,143
-------	--------------	--------------

Cost of sales	6,614,877	4,545,906
---------------	-----------	-----------

Gross margin	14,720,315	10,991,237
--------------	------------	------------

Operating expenses (income):

Selling, general and administrative	4,431,095	4,003,404
-------------------------------------	-----------	-----------

Research and development	2,752,125	2,465,848
--------------------------	-----------	-----------

Amortization expense	2,394,662	42,471
----------------------	-----------	--------

Interest income	(212,411)	(243,868)
-----------------	-----------	-----------

9,365,471	6,267,855
-----------	-----------

Earnings before income taxes	5,354,844	4,723,382
------------------------------	-----------	-----------

Income taxes	1,830,000	1,461,000
--------------	-----------	-----------

NET EARNINGS	\$ 3,524,844	\$ 3,262,382
--------------	--------------	--------------

BASIC EARNINGS PER SHARE	\$ 0.18	\$ 0.17
--------------------------	---------	---------

See notes to unaudited Consolidated Financial Statements.

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

A. BASIS OF PRESENTATION:

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

A summary of significant accounting policies followed by the Company is detailed in the Annual Report to Shareholders for Fiscal 1998. The Company follows these policies in preparation of the interim Financial Statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that the Consolidated Financial Statements be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto for the fiscal year ended June 30, 1998 included in the Company's Annual Report to Shareholders for Fiscal 1998.

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

<TABLE>
<CAPTION>

	9/30/98	6/30/98
	-----	-----
<S>	<C>	<C>
ACCOUNTS RECEIVABLE		
Accounts receivable	\$13,262,870	\$10,270,937
Less reserve for bad debts	273,000	269,000
	-----	-----
NET ACCOUNTS RECEIVABLE	\$12,989,870	\$10,001,937
	=====	=====

INVENTORIES		
Raw materials	\$ 2,057,986	\$ 2,125,365
Supplies	128,083	145,539
Finished goods	7,022,962	1,539,696
	-----	-----
TOTAL INVENTORIES	\$ 9,209,031	\$ 3,810,600
	=====	=====

FIXED ASSETS		
Laboratory equipment	\$10,468,510	\$ 9,944,951
Office equipment	3,111,912	2,923,110
Leasehold improvements	10,929,763	10,243,142
	-----	-----
	24,510,185	23,111,203
Less accumulated depreciation and amortization	11,983,556	11,423,903
	-----	-----
NET FIXED ASSETS	\$12,526,629	\$11,687,300
	=====	=====

INTANGIBLE ASSETS		
Customer list	\$18,010,000	\$ 1,010,000
Technology licensing agreements	500,000	500,000
Goodwill	39,052,767	1,225,547
	-----	-----
	57,562,767	2,735,547
Less accumulated amortization	4,836,355	2,441,693
	-----	-----
NET INTANGIBLE ASSETS	\$52,726,412	\$ 293,854
	=====	=====

</TABLE>

Effective July 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," which requires disclosures of comprehensive income and its components in the Company's financial statements. The Company's total comprehensive income for the quarters ended September 30, 1998 and 1997 was \$3,665,231 and \$3,140,097, respectively. The Company's comprehensive income consists of net income, unrealized holding gains and losses on securities and foreign currency translation adjustments.

During fiscal 1999, the Company will adopt Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information," which requires the disclosure of financial and descriptive information about the reportable operating segments of the Company.

B. ACQUISITION:

On July 1, 1998, the Company, through its Research and Diagnostics Systems, Inc. subsidiary, acquired the research products business of Genzyme Corporation. Assets acquired were as follows:

Inventories	\$ 5,660,000
Equipment	320,000
Customer list	17,000,000

	\$22,980,000
	=====

The purchase price paid and payable for the acquisition is as follows: \$24.76 million cash, 987,206 shares of Techne common stock valued at \$17 million and \$18.84 million of royalties (present value of an estimated \$23.7 million payable over five years) on the Company's biotechnology sales. The excess of the consideration (including acquisition costs) over the fair market value of the assets acquired has been recorded as goodwill and is being amortized on a straight-line basis over six years. The customer list is being amortized on a declining basis over an estimated economic life of five years.

Pro forma financial information for the quarter ended September 30, 1997, presented as if the acquisition had occurred on July 1, 1997, are as follows (in 000's except earnings per share data):

Sales	\$19,058
Net earnings	1,097
Basic earnings per share	.06
Diluted earnings per share	.05

C. EARNINGS PER SHARE:

Effective for the quarter ended December 31, 1997, the Company adopted Statement of Financial Accounting Standards No. 128 (SFAS 128), "Earnings Per Share". The September 30, 1997 earnings per share amounts have been restated to conform to the new standard.

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

<TABLE>
<CAPTION>

	QUARTER ENDED	
	9/30/98	9/30/97
	-----	-----
<S>	<C>	<C>
Weighted average common shares		
outstanding--basic	20,115,898	18,868,132
Dilutive effect of stock options and warrants	427,706	643,102
	-----	-----
Average common shares outstanding--diluted	20,543,604	19,511,234
	=====	=====

</TABLE>

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

Results of Operations Quarter Ended September 30, 1998
vs. Quarter Ended September 30, 1997

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

In November 1997, January 1998 and July 1998, Techne purchased \$1 million of preferred stock of ChemoCentryx, Inc. (CCX), respectively, representing approximately 37% of issued and outstanding voting shares. In addition, Techne is obligated to purchase up to an additional \$2 million of preferred stock over the next year upon CCX's achievement of certain milestones. After purchase of the additional preferred shares, Techne will own approximately 49% of the issued and outstanding voting shares (assuming no investment by other parties). Techne has consolidated CCX into its financial statements due to the limited amount of cash consideration provided by the holders of the common shares of CCX. CCX is a new technology and drug development company working in the area of chemokines. Chemokines are cytokines which regulate the trafficking patterns of leukocytes, the effector cells of the human immune system. In conjunction with the equity investment and joint research efforts, Techne obtains exclusive worldwide research and diagnostic marketing rights to chemokine proteins, antibodies and receptors discovered or developed by CCX or R&D Systems.

Net Sales

Net sales for the quarter ended September 30, 1998 were \$21,335,192, an increase of \$5,798,049 (37%) from the quarter ended September 30, 1997. R&D Systems sales increased \$4,364,250 (37%) and R&D Europe sales increased \$1,433,799 (38%).

The increase in sales was due, in part, to the acquisition of Genzyme Corporation's research products business on July 1, 1998. Sales of these products were \$2,463,028 for the quarter ended September 30, 1998. In addition, the increase in consolidated sales for the quarter was due to increased sales of R&D Systems' cytokines, antibodies and immunoassay kits to both R&D Systems customers and to former Genzyme customers as they are converted from Genzyme products to R&D Systems products.

Gross Margins

Gross margins, as a percentage of sales, decreased slightly from the prior year. Margins for the first quarter of fiscal 1999 were 69.0% compared to 70.7% for the same quarter in fiscal 1998.

R&D Europe gross margins decreased from 53.0% to 46.9% for the quarter as a result of the transfer of all manufacturing activities to R&D Systems during fiscal 1998 and changes in product mix. Hematology Division gross margins decreased from 48.5% to 46.0% for the quarter as a result of changes in product mix. Biotechnology Division gross margins decreased from 73.1% to 69.8% for the quarter as a result of changes in product mix and lower gross profit levels on the inventory acquired from Genzyme.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$427,691 (11%) from the first quarter of fiscal 1998. The majority of the increase for the

quarter was due to additional sales personnel added in the U.S. and Europe as a result of the Genzyme acquisition.

Research and Development Expenses

Research and development expenses increased \$286,277 (12%) for the quarter ended September 30, 1998. The increase related to products currently under development, many of which have been or will be released in fiscal 1999. Products currently under development include both biotechnology and hematology products.

Amortization Expense

Amortization expense increased \$2,352,191 as a result of the write off of the customer list and goodwill associated with the Genzyme acquisition.

Net Earnings

Earnings before income taxes increased \$631,462 from \$4,723,382 in the first quarter of fiscal 1998 to \$5,354,844 in the first quarter of fiscal 1999. The increase in earnings before income taxes was due mainly to an increase in Biotechnology Division earnings of \$854,103 and an increase in R&D Europe's earnings before taxes of \$59,882. These increases were offset by a slight decrease in Hematology Division earnings and a net loss by CCX in the first quarter of fiscal 1999.

Income taxes for the quarter ended September 30, 1998 were provided at a rate of approximately 34% of consolidated pretax earnings compared to 31% for the prior year. The increase in the tax rate is due to the net loss by CCX in the first quarter of fiscal 1999 for which no tax benefit has been provided. U.S. federal taxes have been reduced by the credit for research and development expenditures and the benefit of the foreign sales corporation. Foreign income taxes have been provided at rates which approximate the tax rates in the United Kingdom and Germany.

Liquidity and Capital Resources

At September 30, 1998, cash and cash equivalents and short-term investments were \$21,623,891 compared to \$42,694,280 at June 30, 1998. The decrease from June 30, 1998 was due to the cash outlay for the Genzyme acquisition. The Company believes it can meet its future cash, working capital and capital addition requirements through currently available funds, cash generated from operations and maturities of short-term investments. The Company has an unsecured line of credit of \$750,000. The interest rate on the line of credit is at prime. There were no borrowings on the line in the prior or current fiscal years.

Cash Flows From Operating Activities

The Company generated cash of \$5,747,205 from operating activities in the first three months of fiscal 1999 compared to \$5,303,124 for the first three months of fiscal 1998. The increase was mainly the result of increased net earnings and increased current liabilities.

Cash Flows From Investing Activities

On July 1, 1998 the Company acquired the research products business of Genzyme Corporation for \$24.76 million cash, \$17 million common stock and royalties on the Company's biotechnology sales for five years. Acquisition costs through September 30, 1998 were \$207,220. Cash and cash equivalents at June 30, 1998 and maturities of short-term investments were used to finance the cash portion of the acquisition.

During the three months ended September 30, 1998 short-term investments decreased by \$4,323,793. During the three months ended September 30, 1997, the Company increased short-term investments by \$3,514,425. The Company's investment policy is to place excess cash in short-term tax-exempt bonds. The objective of this policy is to obtain the highest possible return with the lowest risk, while keeping the funds accessible.

Capital additions were \$1,042,242 for the first three months of fiscal 1999, compared to \$1,030,222 for the first three months of fiscal 1998. Included in the fiscal 1999 and 1998 additions were \$683,000 and \$721,000 for leasehold improvements related to remodeling of facilities by R&D Systems. The remaining additions in fiscal 1999 and 1998 were for laboratory and computer equipment. Total expenditures for capital additions planned for the remainder of fiscal 1999 are expected to cost approximately \$6 million and are expected to be financed through currently available funds and cash generated from operating activities.

Cash Flows From Financing Activities

Cash of \$616,400 and \$5,288 was received during the three months ended September 30, 1998 and 1997, respectively, for the exercise of options for 143,100 and 1,094 shares of common stock. During the first three months of fiscal 1998, options for 24,506 shares of common stock were exercised by the surrender of 7,624 shares of the Company's common stock with a fair market value of \$126,194.

During the first three months of fiscal 1999 and 1998, the Company purchased and retired 94,000 and 20,000 shares, respectively, of Company common stock at market values of \$1,414,508 and \$280,000. The Board of Directors has authorized the Company, subject to market conditions and share price, to purchase and retire up to \$10 million of its common stock. Through November 2, 1998, 575,600 shares have been purchased at a market value of \$6,887,547.

The Company has never paid cash dividends and has no plans to do so in fiscal 1999.

MARKET RISK

At September 30, 1998, the Company had an investment portfolio of fixed income securities, excluding those classified as cash and cash equivalents, of \$10,998,142. These securities, like all fixed income instruments, are subject to interest rate risk and will decline in value if market interest rates increase. However, the Company has the ability to hold its fixed income investments until maturity and therefore the Company would not expect to recognize an adverse impact in income or cash flows.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency rate changes. The Company does not enter into foreign exchange forward contracts to reduce its exposure to foreign currency rate changes on intercompany foreign currency denominated balance sheet positions. Historically, the effect of movements in the exchange rates have been immaterial to the consolidated operating results of the Company.

YEAR 2000 AND EURO CURRENCY ISSUES

The Company must take steps to ensure that it is not adversely affected by Year 2000 software failures which may arise in software applications where two-year digits are used to define the applicable year. The Company is conducting a review of all of its computer systems (information technology as well as embedded systems) to identify those areas that could be affected by Year 2000 noncompliance. The Company plans to complete the process of upgrading those systems which may not be Year 2000 compliant by mid 1999 and does not believe the cost of any such upgrades will be material. The Company is in the process of developing contingency plans should systems fail. The Company has also communicated with many of its suppliers and service providers regarding compliance with Year 2000 requirements. As a result of such inquiries, no significant deficiencies have been identified. The Company will continue to monitor these third parties for Year 2000 compliance.

There can be no assurance, however, that there will not be a delay in, or increased costs associated with, upgrading the Company's computer systems, which could have a material adverse effect on the operations and financial position of the Company. In addition, there can be no assurances that the Company's customers and suppliers will not be adversely affected by their own Year 2000 issues, which may indirectly adversely affect the Company.

The Company is currently implementing new accounting and operational software at its European subsidiary which will accommodate the conversion on January 1,

1999 to a common currency, the "euro," by members of the European Union.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

No change.

ITEM 2 - CHANGES IN SECURITIES

On July 1, 1998, the Company issued 987,206 shares of Common Stock, valued at \$17.2203 per share, to Genzyme Corporation ("Genzyme") in connection with the acquisition of Genzyme Corporation's research products business. The sale of such stock was deemed to be exempt from registration under the Securities Act of 1933 by virtue of Section 4(2) thereof. Genzyme represented its intention to acquire the stock for investment purposes only and not with a view to the distribution thereof. In addition, a restrictive legend has been placed on the certificate representing the shares.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 - SUBMISSION OF MATTERS TO VOTE OF SHAREHOLDERS

- (a) The Annual Meeting of the Registrant's shareholders was held on Thursday, October 22, 1998.
- (b) A proposal to set the number of directors at seven was adopted by a vote of 17,377,823 in favor with 23,411 shares against, 27,328 shares abstaining and no shares represented by broker nonvotes.
- (c) Proxies for the Annual meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934. There was no solicitation in opposition to management's nominees as listed in the proxy statement, and all such nominees were elected, as follows:

Nominee	For	Withheld
Thomas E. Oland	17,397,763	30,799
Roger C. Lucas	17,305,535	123,027
Howard V. O'Connell	17,393,724	34,838
G. Arthur Herbert	17,388,524	40,038
Randolph C. Steer	17,373,124	55,438
Lowell E. Sears	17,390,275	38,287
Christopher S. Henney	16,765,309	663,253

- (d) A proposal to approve the 1998 Nonqualified Stock Option Plan was adopted by a vote of 16,474,038 in favor with 858,298 shares against, 96,226 shares abstaining and no shares represented by broker nonvotes.

ITEM 5 - OTHER INFORMATION

Forward Looking Information and Cautionary Statements: Statements in this filing, and elsewhere, which look forward in time involve risks and uncertainties which may affect the actual results of operations. The following important factors, among others, have affected and, in the future, could affect the Company's actual results: the level of success in converting customers and distributors of Genzyme Corporation's research product business to the Company and selling the Company's broader range of products to the former Genzyme customers and distributors, the introduction and acceptance of new biotechnology and hematology products, the levels and particular directions of research into cytokines by the Company's customers, the impact of the growing number of producers of cytokine research products and related price competition, the retention of hematology OEM and proficiency survey business, the Company's expansion of marketing efforts in Europe, and the costs and results of research and product development efforts of the Company and of companies in which the Company has invested or with which it has formed strategic relationships.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

A. EXHIBITS

See exhibit index immediately following signature page.

B. REPORTS ON FORM 8-K

The following reports on Form 8-K were filed by the Registrant for the quarter ended September 30, 1998:

Form 8-K dated July 1, 1998, reporting under Item 2 the acquisition of the research products business of Genzyme Corporation.

Form 8-K/A dated July 1, 1998, filed on September 14, 1998, reporting the required financial information related to the above acquisition.

SIGNATURE

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

TECHNE CORPORATION
(Company)

Date: November 13, 1998 Thomas E. Oland

Thomas E. Oland
President, Chief Executive and
Financial Officer

EXHIBIT INDEX
TO
FORM 10-Q

TECHNE CORPORATION

Exhibit #	Description
-----	-----
10.1	1998 Nonqualified Stock Option Plan
10.2	Form of Stock Option Agreement for 1998 Nonqualified Stock Option Plan
27	Financial Data Schedule

TECHNE CORPORATION

1998 NONQUALIFIED STOCK OPTION PLAN

SECTION 1.

DEFINITIONS

As used herein, the following terms shall have the meanings indicated below:

(a) "Committee" shall mean a Committee of two or more directors who shall be appointed by and serve at the pleasure of the Board. As long as the Company's securities are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, then, to the extent necessary for compliance with Rule 16b-3, or any successor provision, each of the members of the Committee shall be a "Non-Employee Director." For purposes of this Section 1(b) "Non-Employee Director" shall have the same meaning as set forth in Rule 16b-3, or any successor provision, as then in effect, of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

(b) The "Company" shall mean Techne Corporation, a Minnesota corporation.

(c) "Fair Market Value" shall mean (i) if such stock is reported by the Nasdaq National Market or Nasdaq SmallCap Market or is listed upon an established stock exchange or exchanges, the reported closing price of such stock by the Nasdaq National Market or Nasdaq SmallCap Market or on such stock exchange or exchanges on the date the option is granted or, if no sale of such stock shall have occurred on that date, on the next preceding day on which there was a sale of stock; (ii) if such stock is not so reported by the Nasdaq National Market or Nasdaq SmallCap Market or listed upon an established stock exchange, the average of the closing "bid" and "asked" prices quoted by the National Quotation Bureau, Inc. (or any comparable reporting service) on the date the option is granted, or if there are no quoted "bid" and "asked" prices on such date, on the next preceding date for which there are such quotes; or (iii) if such stock is not publicly traded as of the date the option is granted, the per share value as determined by the Board, or the Committee, in its sole discretion by applying principles of valuation with respect to all such options.

(d) The "Internal Revenue Code" is the Internal Revenue Code of 1986, as amended from time to time.

(e) "Non-Employee Director" shall mean members of the Board who are not employees of the Company or any subsidiary.

(f) "Option Stock" shall mean Common Stock of the Company (subject to adjustment as described in Section 13) reserved for options pursuant to this Plan.

(g) The "Optionee" means an employee, officer, director, consultant, advisor or such other individual of the Company or any Subsidiary to whom an option is granted pursuant to this Plan.

(h) "Parent" shall mean any corporation which owns, directly or indirectly in an unbroken chain, fifty percent (50%) or more of the total voting power of the Company's outstanding stock.

(i) The "Plan" means the Techne Corporation 1998 Nonqualified Stock Option Plan, as amended hereafter from time to time, including the form of Option Agreements as they may be modified by the Board from time to time.

(j) A "Subsidiary" shall mean any corporation of which fifty percent (50%) or more of the total voting power of outstanding stock is owned, directly or indirectly in an unbroken chain, by the Company.

SECTION 2.

PURPOSE

The purpose of the Plan is to promote the success of the Company and its Subsidiaries by facilitating the retention of competent personnel and by furnishing incentive to officers, directors, employees, consultants, and advisors upon whose efforts the success of the Company and its Subsidiaries will depend to a large degree.

SECTION 3.

EFFECTIVE DATE OF PLAN

The Plan shall be effective as of the date of approval by the shareholders of the Company.

SECTION 4.

ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Company (hereinafter referred to as the "Board") or by a Committee which may be appointed by the Board from time to time (whether the Board or such a Committee, referred to herein as the "Administrator"). The Administrator shall have all of the powers vested in it under the provisions of the Plan, including but not limited to exclusive authority (where applicable and within the limitations described herein) to determine, in its sole discretion, whether an option shall be granted, the individuals to whom, and the time or times at which, options shall be granted, the number of shares subject to each option and the option price and terms and conditions of each option. The Administrator shall have full power and authority to administer and interpret the Plan, to make and amend rules, regulations and guidelines for administering the Plan, to prescribe the form and conditions of the respective stock option agreements (which may vary from Optionee to Optionee) evidencing each option and to make all other determinations necessary or advisable for the administration of the Plan. The Administrator's interpretation of the Plan, and all actions taken and determinations made by the Administrator pursuant to the power vested in it hereunder, shall be conclusive and binding on all parties concerned. Notwithstanding anything in the Plan to the contrary, an Optionee shall not, in any calendar year, be granted options which, in total, provide for the purchase of more than 200,000 shares of Option Stock.

No member of the Board or the Committee shall be liable for any action taken or determination made in good faith in connection with the administration of the Plan. In the event the Board appoints a Committee as provided hereunder, any action of the Committee with respect to the administration of the Plan shall be taken pursuant to a majority vote of the Committee members or pursuant to the written resolution of all Committee members.

SECTION 5.

PARTICIPANTS

The Administrator shall from time to time, at its discretion and without approval of the shareholders, designate those employees, officers, directors, consultants, and advisors of the Company or of any Subsidiary to whom options shall be granted under this Plan; provided, however, that consultants or advisors shall not be eligible to receive stock options hereunder unless such consultant or advisor renders bona fide services to the Company or Subsidiary and such services are not in connection with the offer or sale of securities in a capital raising transaction. The Administrator may grant additional options under this Plan to some or all participants then holding options or may grant options solely or partially to new participants. In designating participants, the Administrator shall also determine the number of shares to be optioned to each such participant. The Board may from time to time designate individuals as being ineligible to participate in the Plan.

SECTION 6.

STOCK

The Stock to be optioned under this Plan shall consist of authorized but unissued shares of Option Stock. Three hundred thousand (300,000) shares of Option Stock shall be reserved and available for options under the Plan; provided, however, that the total number of shares of Option Stock reserved for options under this Plan shall be subject to adjustment as provided in Section 12 of the Plan. In the event that any outstanding option under the Plan for any reason expires or is terminated prior to the exercise thereof, the shares of Option Stock allocable to the unexercised portion of such option shall continue to be reserved for options under the Plan and may be optioned hereunder.

SECTION 7.

DURATION OF PLAN

The Plan shall have no fixed termination date. Options may be granted pursuant to the Plan from time to time after the effective date of the Plan and until the Plan is discontinued or terminated by the Board. Any option granted prior to the termination of the Plan by the Board shall remain in full force and effect until the expiration of the option as specified in the written stock option agreement and shall remain subject to the terms and conditions of this Plan.

SECTION 8.

PAYMENT

Optionees may pay for shares upon exercise of options granted pursuant to this Plan with cash, personal check, certified check or, if approved by the Administrator in its sole discretion, Common Stock of the Company valued at such Stock's then Fair Market Value, or such other form of payment as may be authorized by the Administrator. The Administrator may, in its sole discretion, limit the forms of payment available to the Optionee and may exercise such discretion any time prior to the termination of the option granted to the Optionee or upon any exercise of the option by the Optionee.

With respect to payment in the form of Common Stock of the Company, the Administrator may require advance approval or adopt such rules as it deems necessary to assure compliance with Rule 16b-3, or any successor provision of the General Rules and Regulations under the Securities Exchange Act of 1934 and to achieve accounting treatment for the financial statements of the Company most advantageous to it.

SECTION 9.

TERMS AND CONDITIONS OF NONQUALIFIED STOCK OPTIONS

Each nonqualified stock option granted pursuant to this Plan shall be evidenced by a written Option Agreement. The Option Agreement shall be in such form as may be approved from time to time by the Administrator and may vary from Optionee to Optionee; provided, however, that each Optionee and each Option Agreement shall comply with and be subject to the following terms and conditions:

(a) Number of Shares and Option Price. The Option Agreement shall state the total number of shares covered by the nonqualified stock option. Unless otherwise determined by the Administrator, the option price per share shall be one hundred percent (100%) of the Fair Market Value of the Common Stock per share on the date the Administrator grants the option.

(b) Term and Exercisability of Nonqualified Stock Option. Except as provided in Section 10, the term during which any nonqualified stock option granted under the Plan may be exercised shall be established in each case by the Administrator. The Option Agreement shall state when the nonqualified stock option becomes exercisable and shall also state the maximum term during which the option may be exercised. In the event a nonqualified stock option is exercisable immediately, the

manner of exercise of the option in the event it is not exercised in full immediately shall be specified in the stock option agreement. The Administrator may accelerate the exercisability of any nonqualified stock option granted hereunder which is not immediately exercisable as of the date of grant.

(c) **Withholding.** The Company or its Subsidiary shall be entitled to withhold and deduct from future wages of the Optionee all legally required amounts necessary to satisfy any and all withholding and employment-related taxes attributable to the Optionee's exercise of a nonqualified stock option. In the event the Optionee is required under the Option Agreement to pay the Company, or make arrangements satisfactory to the Company respecting payment of, such withholding and employment-related taxes, the Administrator may, in its discretion and pursuant to such rules as it may adopt, permit the Optionee to satisfy such obligation, in whole or in part, by electing to have the Company withhold shares of Common Stock otherwise issuable to the Optionee as a result of the option's exercise equal to the amount required to be withheld for tax purposes. Any stock elected to be withheld shall be valued at its Fair Market Value, as of the date the amount of tax to be withheld is determined under applicable tax law. The Optionee's election to have shares withheld for this purpose shall be made on or before the date the option is exercised or, if later, the date that the amount of tax to be withheld is determined under applicable tax law. Such election shall be approved by the Administrator and otherwise comply with such rules as the Administrator may adopt to assure compliance with Rule 16b-3, or any successor provision, as then in effect, of the General Rules and Regulations under the Securities Exchange Act of 1934, if applicable.

(d) **Other Provisions.** The Option Agreement authorized under this Section 10 shall contain such other provisions as the Administrator shall deem advisable.

SECTION 10.

GRANTING OF AUTOMATIC OPTIONS TO NON-EMPLOYEE DIRECTORS

(a) **Upon Election or Re-election to or Continuation on the Board.** Each Non-Employee Director who, on and after the date this Plan is approved by the Company's shareholders, is elected or re-elected as a director of the Company or, in the event the Company adopts staggered terms for its directors, whose term of office continues after a meeting of shareholders at which directors are elected shall, as of the date of such re-election or shareholder meeting, automatically be granted an option to purchase 10,000 shares of the Common Stock at an option price per share equal to 100% of the Fair Market Value of the Common Stock on the date of such election, re-election or shareholder meeting; provided however, that if such Non-Employee Director is elected other than by shareholders at an annual meeting, the number of shares subject to the option shall be determined by multiplying 10,000 by a fraction, the numerator of which is the number of months until the next regular annual meeting of shareholders and the denominator of which is 12. Options granted pursuant to this subsection (a) shall be immediately exercisable in full.

(b) **General.** Options granted pursuant to this Section 10 shall be immediately exercisable in full and shall terminate, subject to the earlier termination provisions of this Section, 10 years from date of grant. If a Non-Employee Director's membership on the Board and service to the Company as an employee, advisor or consultant terminates for any reason other than death or disability, the options shall terminate on the earlier of (i) the close of business on the date twelve months following the date of termination or (ii) the 10 year anniversary of the date of grant. If a Non-Employee Director dies (i) while a member of the Board or serving as an employee, advisor or consultant, or (ii) within twelve months following the date of termination of membership on the Board, the options shall terminate on the earlier of (i) the close of business on the twelve-month anniversary of the date of death or (ii) the 10 year anniversary of the date of grant. If a Non-Employee Director terminates his or her membership on the Board and service to the Company as an employee, advisor or consultant by reason of disability, the options shall expire on the earlier of (i) the close of business on the twelve-month anniversary of the date of termination, or (ii) the 10 year

anniversary of the date of grant. In the event of a change in the accounting treatment of options to be granted automatically pursuant to this Section 10, the Board in its discretion may modify or amend the terms of such options provided that no such modification or amendment shall change the terms of outstanding options or materially increase the benefits accruing to recipients of future automatic grants.

SECTION 11.

TRANSFER OF OPTION

The Administrator may, in its sole discretion, permit the Optionee to transfer any or all nonqualified stock options to any member of the Optionee's "immediate family" as such term is defined in Rule 16a-1(e) promulgated under the Securities Exchange Act of 1934, or any successor provision, or to one or more trusts whose beneficiaries are members of such Optionee's "immediate family" or partnerships in which such family members are the only partners; provided, however, that the Optionee receives no consideration for the transfer and such transferred nonqualified stock option shall continue to be subject to the same terms and conditions as were applicable to such nonqualified stock option immediately prior to its transfer.

SECTION 12.

RECAPITALIZATION, SALE, MERGER, EXCHANGE OR LIQUIDATION

In the event of an increase or decrease in the number of shares of Common Stock resulting from a subdivision or consolidation of shares or the payment of a stock dividend or any other increase or decrease in the number of shares of Common Stock effected without receipt of consideration by the Company, the number of shares of Option Stock reserved under Section 6 hereof, the number of shares of Option Stock covered by each outstanding option and the price per share thereof, and the number of shares subject to automatic grant to Non-Employee Directors pursuant to Section 10 above shall automatically be adjusted to reflect such change, provided that the Board in its discretion may in such event decrease but not increase the number of shares subject to the automatic grants of Section 10 above made subsequent to the date of such event. Additional shares which may be credited pursuant to such adjustment shall be subject to the same restrictions as are applicable to the shares with respect to which the adjustment relates.

Unless otherwise provided in the stock option agreement, in the event of an acquisition of the Company through the sale of substantially all of the Company's assets and the consequent discontinuance of its business or through a merger, consolidation, exchange, reorganization, reclassification, extraordinary dividend, divestiture or liquidation of the Company (collectively referred to as a "transaction"), all outstanding options shall become immediately exercisable, whether or not such options had become exercisable prior to the transaction; provided, however, that if the acquiring party seeks to have the transaction accounted for on a "pooling of interests" basis and, in the opinion of the Company's independent certified public accountants, accelerating the exercisability of such options would preclude a pooling of interests under generally accepted accounting principles, the exercisability of such options shall not accelerate. In addition to the foregoing, in the event of such a transaction, the Board may provide for one or more of the following:

- (a) the complete termination of this Plan and cancellation of outstanding options not exercised prior to a date specified by the Board (which date shall give Optionees a reasonable period of time in which to exercise the options prior to the effectiveness of such transaction);
- (b) that Optionees holding outstanding incentive or nonqualified options shall receive, with respect to each share of Option Stock subject to such options, as of the effective date of any such transaction, cash in an amount equal to the excess of the Fair Market Value of such Option Stock on the date immediately preceding the

effective date of such transaction over the option price per share of such options; provided that the Board may, in lieu of such cash payment, distribute to such Optionees shares of stock of the Company or shares of stock of any corporation succeeding the Company by reason of such transaction, such shares having a value equal to the cash payment herein; or

(c) the continuance of the Plan with respect to the exercise of options which were outstanding as of the date of adoption by the Board of such plan for such transaction and provide to Optionees holding such options the right to exercise their respective options as to an equivalent number of shares of stock of the corporation succeeding the Company by reason of such transaction.

The Board may restrict the rights of or the applicability of this Section 12 to the extent necessary to comply with Section 16(b) of the Securities Exchange Act of 1934, the Internal Revenue Code or any other applicable law or regulation. The grant of an option pursuant to the Plan shall not limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, exchange or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 13.

SECURITIES LAW COMPLIANCE

No shares of Common Stock shall be issued pursuant to the Plan unless and until there has been compliance, in the opinion of Company's counsel, with all applicable legal requirements, including without limitation, those relating to securities laws and stock exchange listing requirements. As a condition to the issuance of Option Stock to Optionee, the Administrator may require Optionee to (i) represent that the shares of Option Stock are being acquired for investment and not resale and to make such other representations as the Administrator shall deem necessary or appropriate to qualify the issuance of the shares as exempt from the Securities Act of 1933 and any other applicable securities laws, and (ii) represent that Optionee shall not dispose of the shares of Option Stock in violation of the Securities Act of 1933 or any other applicable securities laws.

As a further condition to the grant of any incentive or nonqualified stock option or the issuance of Option Stock to Optionee, Optionee agrees to the following:

(a) In the event the Company advises Optionee that it plans an underwritten public offering of its Common Stock in compliance with the Securities Act of 1933, as amended, and the underwriter(s) seek to impose restrictions under which certain shareholders may not sell or contract to sell or grant any option to buy or otherwise dispose of part or all of their stock purchase rights of the underlying Common Stock, Optionee will not, for a period not to exceed 180 days from the prospectus, sell or contract to sell or grant an option to buy or otherwise dispose of any incentive or nonqualified stock option granted to Optionee pursuant to the Plan or any of the underlying shares of Common Stock without the prior written consent of the underwriter(s) or its representative(s).

(b) In the event of a transaction (as defined in Section 13 of the Plan) which is treated as a "pooling of interests" under generally accepted accounting principles, Optionee will comply with Rule 145 of the Securities Act of 1933 and any other restrictions imposed under other applicable legal or accounting principles if Optionee is an "affiliate" (as defined in such applicable legal and accounting principles) at the time of the transaction, and Optionee will execute any documents necessary to ensure compliance with such rules.

The Company reserves the right to place a legend on any stock certificate issued upon exercise of an option granted pursuant to the Plan to assure compliance with this Section 13.

SECTION 14.

RIGHTS AS A SHAREHOLDER

An Optionee (or the Optionee's successor or successors) shall have no rights as a shareholder with respect to any shares covered by an option until the date of the issuance of a stock certificate evidencing such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date such stock certificate is actually issued (except as otherwise provided in Section 12 of the Plan).

SECTION 15.

AMENDMENT OF THE PLAN

The Board may from time to time, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect; provided, however, that no such revision or amendment, except as is authorized in Section 12, shall impair the terms and conditions of any option which is outstanding on the date of such revision or amendment to the material detriment of the Optionee without the consent of the Optionee. Notwithstanding the foregoing, no such revision or amendment shall (i) materially increase the number of shares subject to the Plan except as provided in Section 12 hereof, (ii) change the designation of the class of employees eligible to receive options, (iii) decrease the price at which options may be granted, or (iv) materially increase the benefits accruing to Optionees under the Plan without the approval of the shareholders of the Company if such approval is required for compliance with the requirements of any applicable law or regulation.

SECTION 16.

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the Optionee to exercise such option. Further, the granting of an option hereunder shall not impose upon the Company or any Subsidiary any obligation to retain the Optionee as an employee, officer, director, consultant or advisor for any period.

TECHNE CORPORATION

NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT, made this ____ day of _____, _____, by and between Techne Corporation, a Minnesota corporation (the "Company"), and _____ (the "Optionee");

WITNESSETH

WHEREAS, the Optionee on the date hereof is an employee, officer or director of or consultant to the Company or a Subsidiary of the Company; and

WHEREAS, to induce the Optionee to further the Optionee's efforts in its behalf, the Company desires to grant to the Optionee an option to purchase shares of its Common Stock; and

WHEREAS, the Company's Board of Directors and shareholders have adopted a stock option plan providing for the grant of nonqualified stock options known as the "Techne Corporation 1998 Nonqualified Stock Option Plan" (hereinafter referred to as the "Plan"); and

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Optionee hereby agree as follows:

1. Grant of Option. The Company hereby grants to the Optionee, on the date of this Agreement, the option to purchase _____ shares of Common Stock of the Company (the "Option Stock") subject to the provisions of Paragraph 3 hereof and to the other terms and conditions herein contained, and subject only to adjustment in such number of shares as provided in Section 12 of the Plan.

2. Option Price. During the term of this option, the purchase price for the shares of Option Stock granted herein is \$_____ per share, subject only to adjustment of such price as provided in Section 12 of the Plan.

3. Term of Option. The term during which this option may be exercised expires at the close of business on _____, _____, unless terminated earlier under the provisions of paragraphs 10, 11 or 12 below. This option shall be immediately exercisable.

4. Transfer of Option. The Company, in its sole discretion, may permit the Optionee to transfer any or all of this Option to any member of the Optionee's "immediate family" as such term is defined in Rule 16a-1(e) under the Securities Exchange Act of 1934, or any successor provision, or to one or more trusts whose beneficiaries are members of such Optionee's "immediate family" or partnerships in which such family members are the only partners; provided, however, that the Optionee receives no consideration for such transfer and that this Option shall continue to be subject to the same terms and conditions as were applicable to such Option immediately prior to its transfer.

5. Manner of Exercise of Option. This option is to be exercised by the Optionee (or by the Optionee's successor or successors) by giving written notice to the Company of an election to exercise such option. Such notice shall specify the number of shares to be purchased hereunder and shall specify a date (not more than 30 calendar days and not less than 10 calendar days from the date of delivery of the notice to the Company) on which the Optionee shall deliver payment of the full purchase price for the shares being purchased. Such notice shall be delivered to the Company at its principal place of business. An option shall be considered exercised at the time the Company receives such notice. As soon as practicable following receipt of such notice and subject to the provisions of Paragraph 9 below, the Company shall, against payment by the Optionee of the required purchase price, deliver to the Optionee certificates for the shares so purchased. Payment for shares of Option Stock may be made in the form of cash, certified check, or, if authorized by the Company, in Common Stock of the Company. Any stock so tendered as part of such payment shall be valued

at its then "fair market value" as provided in the Plan.

6. **Rights as a Shareholder.** The Optionee or a transferee of this option shall have no rights as a shareholder with respect to any shares covered by this option until the date of the issuance of a stock certificate for such shares, except as provided in Section 12 of the Plan. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Section 12 of the Plan.

7. **Stock Option Plan.** The option evidenced by this Agreement is granted pursuant to the Plan, a copy of which Plan is attached hereto or has been made available to the Optionee and is hereby made a part of this Agreement. This Agreement is subject to and in all respects limited and conditioned as provided in the Plan. The Plan governs this option and the Optionee, and in the event of any question as to the construction of this Agreement or of a conflict between the Plan and this Agreement, the Plan shall govern, except as the Plan otherwise provides.

8. **Withholding Taxes.** In order to permit the Company to receive a tax deduction in connection with the exercise of this option, the Optionee agrees that as a condition to any exercise of this option, the Optionee will also pay to the Company, or make arrangements satisfactory to the Company regarding payment of, any federal, state, local or other taxes required by law to be withheld with respect to the option's exercise.

9. **Investment Purpose.** Unless a Registration Statement under the Securities Act of 1933 is in effect at the time, the Company requires as a condition to the grant and exercise of this option that any stock acquired pursuant to this option be acquired for investment. In this regard, if requested by the Company, the Optionee, prior to the acquisition of any shares pursuant to this option, shall execute an investment letter to the effect that the Optionee is acquiring shares pursuant to the option for investment purposes only and not with the intention of making any distribution of such shares and will not dispose of the shares in violation of the applicable federal and state securities laws.

10. **Termination of Relationship with the Company.** If the Optionee ceases to be an employee, consultant, advisor or director of the Company or any Subsidiary for any reason other than because of death or disability (as described below) or because of the sale, merger, or liquidation of the Company (which is covered by the provisions of Section 12 of the Plan), this option shall terminate (notwithstanding Paragraph 3 of this Agreement) on the earlier of (i) the close of business on the twelve-month anniversary date of such termination of relationship or directorship and (ii) this option's originally stated expiration date. In such period following such termination of relationship or directorship, this option shall be exercisable as provided above only to the extent the option was exercisable on the date of termination of relationship or directorship but had not previously been exercised.

11. **Death of Optionee.** If the Optionee dies (i) while an employee, consultant, advisor or director of the Company or any Subsidiary, or (ii) within a period of twelve months after his termination of relationship or directorship with the Company or any Subsidiary as provided in Paragraph 10, this option shall terminate (notwithstanding Paragraph 3 of this Agreement) on the earlier of (i) the close of business on the twelve-month anniversary date of the Optionee's death, and (ii) this option's originally stated expiration date. In such period following the Optionee's death, this option may be exercised only by the person or persons to whom the Optionee's rights under this option shall have passed by the Optionee's will or by the laws of descent and distribution, and only to the extent the option was exercisable on the date of death but had not previously been exercised.

12. **Termination of Relationship or Directorship by Reason of Disability.** If the Optionee ceases to be an employee, consultant, advisor or director of the Company or any Subsidiary before the original stated expiration of this option and such termination is due to permanent and total disability, this option shall be exercisable only to the extent it was exercisable on the date of such termination until the close of business on the twelve-month anniversary of such termination date or until the

original stated termination date of the option, whichever is earlier. For purposes of this paragraph, a person is permanently and totally disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

13. Recapitalizations, Sales, Mergers, Exchanges, Consolidations, Liquidation. In the event of a stock dividend or stock split, the number of shares of Option Stock and option exercise price shall be adjusted as provided in Section 12 of the Plan. Similarly, in the event of a sale, merger, exchange, consolidation or liquidation of the Company, this option shall be adjusted as provided in Section 12 of the Plan.

14. Scope of Agreement This Agreement shall bind and inure to the benefit of the Company and its successors and assigns and the Optionee and any successor or successors of the Optionee permitted by Paragraph 4 above.

15. Arbitration. Any dispute arising out of or relating to this Agreement or the alleged breach of it, or the making of this Agreement, including claims of fraud in the inducement, shall be discussed between the disputing parties in a good faith effort to arrive at a mutual settlement of any such controversy. If, notwithstanding, such dispute cannot be resolved, such dispute shall be settled by binding arbitration. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be a retired state or federal judge or an attorney who has practiced securities or business litigation for at least 10 years. If the parties cannot agree on an arbitrator within 20 days, any party may request that the chief judge of the District Court for Hennepin County, Minnesota, select an arbitrator. Arbitration will be conducted pursuant to the provisions of this Agreement, and the commercial arbitration rules of the American Arbitration Association, unless such rules are inconsistent with the provisions of this Agreement, but without submission of the dispute to such Association. Limited civil discovery shall be permitted for the production of documents and taking of depositions. Unresolved discovery disputes may be brought to the attention of the arbitrator who may dispose of such dispute. The arbitrator shall have the authority to award any remedy or relief that a court of this state could order or grant; provided, however, that punitive or exemplary damages shall not be awarded. The arbitrator may award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees, including attorneys' fees. Unless otherwise agreed by the parties, the place of any arbitration proceedings shall be Hennepin County, Minnesota.

IN WITNESS WHEREOF, the Company and the Optionee have executed this Agreement in the manner appropriate to each, as of the day and year first above written.

TECHNE CORPORATION

By _____
Thomas E. Oland, President

_____, Optionee

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	JUN-30-1999
<PERIOD-END>	SEP-30-1998
<CASH>	10,625,749
<SECURITIES>	10,998,142
<RECEIVABLES>	13,262,870
<ALLOWANCES>	273,000
<INVENTORY>	9,209,031
<CURRENT-ASSETS>	46,086,638
<PP&E>	24,510,185
<DEPRECIATION>	11,983,556
<TOTAL-ASSETS>	113,941,280
<CURRENT-LIABILITIES>	13,148,190
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	200,561
<OTHER-SE>	83,632,329
<TOTAL-LIABILITY-AND-EQUITY>	83,832,890
<SALES>	21,335,192
<TOTAL-REVENUES>	21,335,192
<CGS>	6,614,877
<TOTAL-COSTS>	6,614,877
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	0
<INCOME-PRETAX>	5,354,844
<INCOME-TAX>	1,830,000
<INCOME-CONTINUING>	3,524,844
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	3,524,844
<EPS-PRIMARY>	.18
<EPS-DILUTED>	.17

</TABLE>