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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

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

For the fiscal year ended June 30, 2012

☐ **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: 000-17272

TECHNE CORPORATION

(Exact name of Registrant as specified in its charter)

Minnesota	**41-1427402**
(State of Incorporation)	**(IRS Employer Identification No.)**
614 McKinley Place N.E., Minneapolis, MN	**55413-2610**
(Address of principal executive offices)	**(Zip Code)**

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

Securities registered pursuant to Section 12(b) of the Act: Common Stock, $0.01 par value
Name of each exchange on which registered: The Nasdaq Stock Market LLC
(Nasdaq Global Select Market)

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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 ☒ No ☐

Indicate by check mark whether the registrants has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ Small reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

The aggregate market value of the Common Stock held by non-affiliates of the Registrant, based upon the closing sale price on December 31, 2011 as reported on The Nasdaq Stock Market ($68.26 per share) was approximately $2.0 billion. Shares of Common Stock held by each officer and director and by each person who owns 5% or more of the outstanding Common Stock have been excluded.

Shares of $0.01 par value Common Stock outstanding at August 24, 2012: 36,828,834

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for its 2012 Annual Meeting of Shareholders are incorporated by reference into Part III.

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PART I

ITEM 1. BUSINESS

OVERVIEW

TECHNE Corporation was incorporated on July 17, 1981 in the state of Minnesota. TECHNE Corporation and subsidiaries (the Company) are engaged in the development, manufacture and sale of biotechnology products and hematology calibrators and controls. These activities are conducted domestically through its wholly-owned subsidiaries, Research and Diagnostic Systems, Inc. (R&D Systems), Boston Biochem, Inc. (Boston Biochem), and BiosPacific, Inc. (BiosPacific). The Company's European biotechnology operations are conducted through its wholly-owned U.K. subsidiaries, R&D Systems Europe Ltd. (R&D Europe) and Tocris Holdings Limited (Tocris). R&D Europe has a sales subsidiary, R&D Systems GmbH, in Germany and a sales office in France. The Company distributes its biotechnology products in China through its wholly-owned subsidiary, R&D Systems China Co., Ltd. (R&D China). R&D China has a sales subsidiary, R&D Systems Hong Kong Ltd., in Hong Kong.

The Company has two reportable segments based on the nature of its products (biotechnology and hematology). R&D Systems' Biotechnology Division, R&D Europe, Tocris, R&D China, BiosPacific and Boston Biochem operating segments are included in the biotechnology reporting segment. The Company's biotechnology reporting segment develops, manufactures and sells biotechnology research and diagnostic products world-wide. The Company's hematology reporting segment, which consists of R&D Systems' Hematology Division, develops and manufactures hematology controls and calibrators for sale world-wide.

THE MARKET

The Company manufactures and sells products for the biotechnology research market and the clinical diagnostics market. In fiscal 2012, 2011 and 2010, net sales from the Company's biotechnology segment were 93% of consolidated net sales in each year. The Company's hematology segment net sales were 7% of consolidated net sales for each of fiscal 2012, 2011 and 2010. Financial information relating to the Company's segments is incorporated herein by reference to Note M to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Biotechnology segment

The Company, through its biotechnology segment, is one of the world's leading suppliers of specialized proteins, such as cytokines and related reagents, to the biotechnology research community. These valuable proteins are produced in minute amounts by different types of cells and can be isolated from these cells or synthesized through recombinant DNA technology. Currently nearly all of the Company's proteins are produced by recombinant DNA technology.

The growing interest by academic and commercial researchers in cytokines is largely due to the profound effect that a tiny amount of a cytokine can have on cells and tissues. Cytokines are intercellular messengers. They act as signaling agents by interacting with specific receptors on the affected cells and trigger events that can lead to significant changes in a cell, tissue or organ. For example, cytokines can induce cells to acquire more specialized functions and features. Another example of the beneficial action of cytokines is their key role played in attracting cells at the site of injury, inducing them to grow and divide and initiate the healing process. Unregulated cytokine production and action can have non-beneficial effects and lead to various pathologies.

The Company also produces and markets enzymes and intracellular signaling reagents. Enzymes are proteins which act as biological catalysts that accelerate a variety of chemical reactions in cells. Most enzymes, including proteases, kinases and phosphatases, are proteins that modify the structure and function of other proteins. Additionally, both enzymes and cytokines have the potential to serve as predictive biomarkers and therapeutic targets for a variety of diseases and conditions including cancer, Alzheimer's, arthritis, autoimmunity, diabetes, hypertension, obesity, inflammation, AIDS and influenza.

The Company markets one type of immunoassay kit under the trade name Quantikine®. Quantikine kits are used by researchers to quantify the level of a specific protein in biological fluids, such as serum, plasma, or urine. Protein quantification is an integral component of basic research and as a valuable indicator of the effects of new therapeutic compounds in the pharmaceutical drug discovery and development process.

With the acquisition of Tocris in April 2011, the Company added chemically-based products to its biotechnology segment. Tocris products are small compounds, sold in highly purified forms typically with agonistic or antagonistic properties in a variety of biological processes. The addition of Tocris products to the Company's product lines allows customers to have access to the broadest range of compounds and biological reagents to meet their life science research needs. The combined chemical and biological reagents portfolio of the two companies provide new tools which customers can use in solving the complexity of important biological pathways and glean knowledge which may lead to a fuller understanding of biological processes and ultimately to the development of novel strategies to address different pathologies.

The Company currently manufactures and sells approximately 22,000 biotechnology products.

Biotechnology Products

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

Antibodies. Antibodies are specialized proteins produced by the immune system of an animal that recognize and bind to target molecules. The Company's polyclonal antibodies are produced in animals (primarily goats, sheep and rabbits) and purified from the animals' blood. Monoclonal antibodies are derived from immortalized rodent cell lines and are isolated from cell culture medium.

Immunoassays. The immunoassay product line includes Quantikine kits for the detection of human and animal proteins using 96-well plates, along with immunoassays on other testing platforms, which allow researchers to quantify the amount of a specific analyte (typically a cytokine, adhesion molecule or an enzyme) in a sample derived from any biological fluid.

Clinical Diagnostic Immunoassay Kits. The Company has received Food and Drug Administration (FDA) marketing clearance for its erythropoietin (EPO), transferrin receptor (TfR) and Beta2-microglobulin (ß2M) immunoassays for use as *in vitro* diagnostic devices.

Flow Cytometry Products. This product line includes fluorochrome labeled antibodies and kits, which are used to determine the immuno-phenotypic properties of cells from different tissues.

Intracellular Signaling Products. This diverse product line provides reagents to elucidate signal transduction pathways within cells. Products include antibodies, phospho-specific antibodies, antibody arrays, active caspases, kinases, phosphatases, and enzyme-linked immunosorbant assay (ELISA) assays to measure the activity of apoptotic and signaling molecules.

Chemically-based Products. These products include small natural or synthetic chemical compounds used by investigators as agonists, antagonists and/or inhibitors of various biological functions. Used in concert with other Company products, they provide additional tools to elucidate key pathways of cellular functions and can provide insight into the drug discovery process.

The Company sells its biotechnology products directly to customers in North America, most of Western Europe and to certain customers in China. Third party distributors are used in the remainder of China and Europe and in the rest of the world.

Hematology segment

Proper diagnosis of many illnesses requires a thorough and accurate analysis of a patient's blood cells, which is usually done with automated or semi-automated hematology instruments. One of the most frequently performed laboratory tests on a blood sample is a complete blood count (CBC). Doctors use this test in disease screening and diagnosis.

Hematology controls and calibrators are products derived from various cellular components of blood which have been stabilized. Control and calibrator products can be utilized to ensure that hematology instruments are performing accurately and reliably. Ordinarily, a hematology control is used once to several times a day to make sure the instrument is reading accurately. In addition, most instruments need to be calibrated periodically. Hematology calibrators are similar to controls, but undergo additional testing to ensure that the calibration values assigned are within tight specifications and can be used to calibrate the instrument.

The Company offers a wide range of hematology controls and calibrators for both impedance and laser type cell counters. The Company believes its products have improved stability and versatility and a longer shelf life than most of those of its competitors. Hematology control products are also supplied for use as proficiency testing tools by laboratory certifying authorities in a number of states and countries.

Original Equipment Manufacturer (OEM) agreements represent the largest market for hematology controls and calibrators made by the Company. In fiscal 2012, 2011 and 2010, OEM agreements accounted for $9.7 million, $8.7 million and $8.0 million, respectively, or 3% of total consolidated net sales in each fiscal year. The Company sells its hematology products directly to customers in the United States and through distributors in the rest of the world.

PRODUCTS UNDER DEVELOPMENT

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

In fiscal 2012, the Company introduced 1,800 new biotechnology products. The Company is planning to release new proteins, antibodies, immunoassay products and chemically-based research reagents in the coming year. All of these products will be for research use only and therefore do not require FDA clearance. The Company also developed several new hematology control products in fiscal 2012 and is continuously working on product improvements and enhancements. However, there is no assurance that any of the products in the research and development phase can be successfully completed or, if completed, can be successfully introduced into the marketplace.

	Year Ended June 30,		
	2012	*2011*	*2010*
Research expense (in thousands):			
Biotechnology	$27,112	$25,176	$24,331
Hematology	800	809	790
	$27,912	$25,985	$25,121
Percent of net sales	8.9%	9.0%	9.3%

INVESTMENTS

The Company has an approximate 18.0% equity investment in ChemoCentryx, Inc. (CCXI). CCXI is a technology and drug development company working in the area of chemokines. Chemokines are cytokines which regulate the trafficking patterns of leukocytes, the effector cells of the human immune system. At June 30, 2011, the Company had a $14.3 million investment in the preferred stock of CCXI and accounted for the investment on a cost basis. The investment was included in "Investments in unconsolidated entities" at June 30, 2011. In September 2011, the Company entered into a $10.0 million loan agreement with CCXI. The loan agreement contained a number of conversion features contingent upon CCXI obtaining future debt or equity financing. The agreement also included a $5.0 million commitment by the Company to participate in a private placement in the event of a successful public offering of CCXI shares. On February 8, 2012, CCXI completed its initial public offering (IPO) at $10 per share. Upon the close of the IPO, the Company's investment in CCXI's preferred shares and the loan, plus accrued interest, converted into CCXI common stock. The Company invested an additional $5.0 million in the private placement, as discussed above, and received ten year warrants to purchase 150,000 shares of CCXI common stock at $20 per share. The Company's investment in CCXI is included in "Short-term available-for-sale investments" at June 30, 2012 at fair value of $94.7 million as the Company has determined that it does not have the ability to exercise significant influence over the operating and financial policies of CCXI.

The Company has a 6.9% ownership percentage in Hemerus Medical, LLC (Hemerus). Hemerus was formed in March 2001 and has acquired and is developing technology for the separation of leukocytes from red blood cells and to extend the shelf life of the isolated blood products. Hemerus owns two patents, has several patent applications pending and has received FDA clearance to market its products in the U.S. The Company accounts for its investment in Hemerus under the equity method of accounting as Hemerus is a limited liability company. During fiscal 2012, Hemerus entered into an agreement to sell substantially all of its assets. The Company has determined that it is more-likely-than-not that it will recover its remaining investment in Hemerus. The Company's net investment in Hemerus was $551,000 and $773,000 at June 30, 2012 and 2011, respectively.

The Company has a 16.8% ownership interest in Nephromics LLC (Nephromics). Nephromics has licensed technology related to the diagnosis of preeclampsia and has sublicensed the technology to several major diagnostic companies for the development of diagnostic assays. In fiscal 2012 and fiscal 2010, the Company received distributions of $463,000 and $50,000, respectively, from Nephromics. The Company accounts for its investment in Nephromics under the equity method of accounting as Nephromics is a limited liability company. During fiscal 2012, Nephromics signed an agreement to sell substantially all of its assets. As a result of the agreement, the Company determined that a portion of its investment in Nephromics was other-than-temporarily impaired and wrote off $2.4 million of this investment. The Company's net investment in Nephromics was $505,000 and $3.7 million at June 30, 2012 and 2011, respectively.

The Company has a 13.6% ownership interest in ACTGen, Inc. (ACTGen), a development stage biotechnology company located in Japan. ACTGen has intellectual property related to the identification and expression of secreted molecules. During fiscal 2012, the Company determined that, based on ACTGen financial results for calendar 2011 and its operational and funding status, the Company's investment in ACTGen was other-than-temporarily impaired and wrote off its remaining investment of $854,000. The Company's net investment in ACTGen was $925,000 at June 30, 2011.

GOVERNMENT REGULATION

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

Three of the Company's immunoassay kits, EPO, TfR and ß2M, have FDA clearance to be sold for clinical diagnostic use. The Company must comply with QSR for the manufacture of these kits. Biotechnology products manufactured in the United States and sold for use in the research market do not require FDA clearance.

Both Boston Biochem and Tocris products are used as research tools and require no regulatory approval for commercialization. Some of Tocris' products are considered controlled substances and require government permits to stock such products and to ship them to end-users. The Company has no reason to believe that these annual permits will not be re-issued.

Some of the Company's research groups use small amounts of radioactive materials in the form of radioisotopes in their product development activities. Thus, the Company is subject to regulation and inspection by the Minnesota Department of Health and has been granted a license through August 2013. The license is renewable annually. The Company has had no difficulties in renewing this license in prior years and has no reason to believe it will not be renewed in the future. If, however, the license was not renewed, it would have minimal effect on the Company's business since there are other technologies the research groups could use to replace the use of radioisotopes.

Beginning January 1, 2013, the Company will be subject to the medical device excise tax which was included as part of the Affordable Care Act. The tax applies to the sale of medical devices by a manufacturer, producer or importer of the device and is 2.3% of the sale price. The tax will apply to the Company's *in vitro* diagnostic products, including its hematology products and biotechnology clinical diagnostic immunoassay kits. The Company estimates it will pay approximately $250,000 for the medical device excise tax in fiscal 2013.

AVAILABILITY OF RAW MATERIALS

The primary raw material for the Company's hematology controls is whole blood. Human blood is purchased from commercial blood banks, while porcine and bovine blood is purchased from nearby meat processing plants. After raw blood is received, it is separated into its components, processed and stabilized. Although the cost of human blood has increased due to the requirement that it be tested for certain diseases and pathogens, the higher cost of these materials has not had a material adverse effect on the Company's business. The Company does not perform its own pathogen testing as the supplier tests all human blood purchased.

R&D Systems' Biotechnology Division develops and manufactures the majority of its cytokines from synthetic genes developed in-house, thus significantly reducing its reliance on outside resources. R&D Systems typically has several outside sources for all critical raw materials necessary for the manufacture of products. Tocris sources its raw material from multiple world-wide sources. Many of the starting components used in the chemical synthesis are widely available products and no single source of raw reagents poses a supply risk to this business.

PATENTS AND TRADEMARKS

The Company owns patent protection for certain hematology controls which extend for various periods depending on the date of the patent application or patent grant. The Company is not substantially dependent on products for which it has obtained patent protection. Sales of such products are not material to the Company's financial results.

The Company may seek patent protection for new or existing products it manufactures. No assurance can be given that any such patent protection will be obtained. No assurance can be given that the Company's products do not infringe upon patents or proprietary rights owned or claimed by others, particularly for genetically engineered products. The Company has not conducted a patent infringement study for each of its products. For more information on patent litigation, see Item 3 "Legal Proceedings" in this Annual Report on Form 10-K.

The Company has a number of licensing agreements with patent holders under which it has the non-exclusive right to use patented technology or the non-exclusive right to manufacture and sell certain patented proteins and related products to the research market. For fiscal 2012, 2011 and 2010, total royalties expensed under these licenses were approximately $3.2 million, $3.4 million and $3.3 million, respectively.

The Company has obtained federal trademark registration for certain of its hematology controls and biotechnology product groups which extend for various periods depending upon the date of the trademark grant. The Company believes it has common law trademark rights to certain marks in addition to those which it has registered.

SEASONALITY OF BUSINESS

Biotechnology segment products marketed by the Company historically experience a slowing of sales or of the rate of sales growth during the summer months. The Company also usually experiences a slowing of sales in both of its reportable segments during the Thanksgiving to New Year holiday period. The Company believes this seasonality is a result of vacation schedules in Europe and Japan and of academic schedules in the United States.

SIGNIFICANT CUSTOMERS

No single customer in either reportable segment accounted for more than 10% of the Company's consolidated net sales during fiscal 2012, 2011 or 2010.

BACKLOG

There was no significant backlog of orders for the Company's products as of the date of this Annual Report on Form 10-K or as of a comparable date for fiscal 2011. The majority of the Company's biotechnology products are shipped within one day of receipt of the customers' orders. The majority of hematology products are shipped based on a preset, recurring schedule.

COMPETITION

The worldwide market for protein related and chemically-based research reagents is being supplied by a number of companies, including GE Healthcare Life Sciences, BD Biosciences, Merck KGaA/EMD Chemicals, Inc., Life Technologies Corporation, Millipore Corporation, PeproTech, Inc., Santa Cruz Biotechnology, Inc., Abcam plc., Sigma-Aldrich Corporation, Thermo Fisher Scientific, Inc., Cayman Chemical Company and Enzo Biochem, Inc. The Company believes that it is one of the leading world-wide suppliers of cytokine related products in the research marketplace. The Company further believes that the expanding line of its products, their recognized quality, and the growing demand for protein related and chemically-based research reagents will allow the Company to remain competitive in the growing biotechnology research and diagnostic market.

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

EMPLOYEES

Through its subsidiaries, the Company employed 783 full-time and 64 part-time employees as of June 30, 2012, as follows:

	Full-time	*Part-time*
U.S.:		
R&D Systems	646	33
BiosPacific	6	1
Boston Biochem	12	0
Europe:		
R&D Europe	57	20
Tocris	45	8
China & Hong Kong:		
R&D China	17	2
	783	64

ENVIRONMENT

Compliance with federal, state and local environmental protection laws in the United States, United Kingdom, Germany, China and Hong Kong had no material effect on the Company in fiscal 2012.

GEOGRAPHIC AREA FINANCIAL INFORMATION

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

	Year Ended June 30,		
	2012	*2011*	*2010*
External sales			
United States	$172,310	$159,857	$148,137
Europe	90,142	83,676	78,496
China	11,378	8,299	6,792
Other Asia	25,988	24,715	22,372
Rest of world	14,742	13,415	13,250
Total external sales	$314,560	$289,962	$269,047

	As of June 30,		
	2012	*2011*	*2010*
Long-lived assets			
United States	$87,968	$88,802	$91,554
Europe	7,528	7,819	6,299
China	141	96	70
Total long-lived assets	$95,637	$96,717	$97,923

Net sales are attributed to countries based on the location of the customer/distributor. Long-lived assets are comprised of land, buildings and improvements and equipment, net of accumulated depreciation and other assets. See the description of risks associated with the Company's foreign subsidiaries in Item 1A of this Annual Report on Form 10-K.

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INVESTOR INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934 (the Exchange Act). Therefore, the Company files periodic reports, proxy statements, and other information with the Securities and Exchange Commission (SEC). Such reports, proxy statements, and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, N.E., Room 1580, Washington, DC 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically.

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

EXECUTIVE OFFICERS OF THE REGISTRANT

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

Name	*Age*	*Position*	*Officer Since*
Thomas E. Oland	71	Chairman of the Board, President, Chief Executive Officer and Director	1985
Gregory J. Melsen	60	Vice President of Finance, Treasurer and Chief Financial Officer	2004
Marcel Veronneau	58	Vice President, Hematology Operations	1995

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

Thomas E. Oland has been Chairman of the Board, President and Chief Executive Officer of the Company since December 1985. Mr. Oland also served as Chief Financial Officer of the Company from December 1985 to December 2004 and Treasurer from December 1985 to October 2010.

Gregory J. Melsen joined the Company in December 2004 as Vice President of Finance and Chief Financial Officer. In October 2010, he also assumed the role of Treasurer. Prior to 2004, he held various vice president and chief financial officer positions at several publicly traded companies and was employed by a public accounting firm for 19 years, including nine years as an audit partner.

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

ITEM 1A. RISK FACTORS

Statements in this Annual Report on Form 10-K, and elsewhere, that are forward-looking involve risks and uncertainties which may affect the Company's actual results of operations. Certain of these risks and uncertainties which have affected and, in the future, could affect the Company's actual results are discussed below. The Company undertakes no obligation to update or revise any forward-looking statements made due to new information or future events. Investors are cautioned not to place undue emphasis on these statements.

The following risk factors should be read carefully in connection with evaluation of the Company's business and any forward-looking statements made in this Annual Report on Form 10-K and elsewhere. Any of the following risks or others discussed in this Annual Report on Form 10-K or the Company's other SEC filings, could materially adversely affect the Company's business, operating results and financial condition.

The Company's future growth is dependent on the development of new products in a rapidly changing technological environment.

A major element of the Company's growth strategy is to increase revenues through new product releases. As a result, the Company must anticipate industry trends and develop products in advance of customer needs. New product development requires planning, designing and testing at both technological and manufacturing-process levels and may require significant research and development expenditures. There can be no assurance that any products now in development, or that the Company may seek to develop in the future, will achieve feasibility or gain market acceptance. There can also be no assurance that the Company's competitors will not succeed in developing technologies and products that are more effective than any which have been or are being developed by the Company or that would render the Company's technologies and products obsolete or noncompetitive.

Changes in economic conditions could negatively impact the Company's revenues and earnings.

The Company's biotechnology products are sold primarily to research scientists at pharmaceutical and biotechnology companies and at university and government research institutions. Research and development spending by the Company's customers and the availability of government research funding can fluctuate based on spending priorities and general economic conditions. An economic downturn or a reduction or delay in governmental funding could cause customers to delay or forego purchases of the Company's products. The Company carries essentially no backlog of orders and changes in the level of orders received and filled daily can cause fluctuations in quarterly revenues and earnings.

The biotechnology and hematology industries are very competitive.

The Company faces significant competition across all of its product lines and in each market in which it operates. Competitors include companies ranging from start-up companies, who may be able to more quickly respond to customers' needs, to large multinational companies, which may have greater financial and marketing resources than the Company. In addition consolidation trends in the pharmaceutical and biotechnology industries have served to create fewer customer accounts and/or to concentrate purchasing decisions for some customers, resulting in increased pricing pressure on the Company. The entry into the market of manufacturers in China and other low-cost manufacturing locations is also creating increased pricing pressures, particularly in developing markets. Failure to anticipate and respond to competitors' actions may impact the Company's future sales and earnings.

The Company relies heavily on internal manufacturing and related operations to produce, package and distribute its products.

The Company manufactures the majority of the products it sells at its Minneapolis, Minnesota facility. Quality control, packaging and distribution operations support all of the Company's sales. Any significant disruption of these operations for any reason could adversely affect sales and customer relationships, and therefore adversely affect the business. While the Company has taken certain steps to manage these operational risks, and while insurance coverage may reimburse, in whole or in part, for losses related to such disruptions, the Company's ability to provide products in the longer term could adversely affect future sales growth and earnings.

The design and manufacture of products involves certain inherent risks. Manufacturing or design defects could lead to recalls, litigation or alerts relating to the Company's products. A recall could result in significant costs and damage to the Company's reputation which could reduce demand for its products.

The Company is significantly dependent on sales made through foreign subsidiaries which are subject to changes in exchange rates.

Approximately 30% of the Company's sales are made through its foreign subsidiaries, which transact their sales in foreign currencies. The Company's revenues and earnings are, therefore, affected by fluctuations in currency exchange rates. Any adverse movement in foreign currency exchange rates could negatively affect the Company's revenues and earnings.

The Company faces risk resulting from the economic instability in the Eurozone countries.

Sales to Europe made up approximately 29% of the Company's net sales in fiscal 2012. As a result of several Eurozone countries facing fiscal crises and uncertainty about the continued viability of the Euro as a single currency, the Company's European sales may be adversely affected by reduced spending on health care and research by Eurozone governments and general economic instability in the region. Such reduced sales would adversely affect the Company's revenues, financial condition and results of operations.

The Company may be unsuccessful in integrating Boston Biochem and Tocris into its operations.

The actual financial results of Boston Biochem and Tocris could differ from the Company's forecasts, effecting the Company's future sales and net earnings. If the integrations of the acquired businesses are not successful, the Company may record unexpected impairment charges. Factors that will affect the success of the acquisitions include any decrease in customer loyalty caused by dissatisfaction with the combined companies' product lines or its sales and marketing practices, including price increases, the ability to retain key employees and the ability of the Company to achieve synergies among its subsidiary companies. Such synergies include leveraging the combined companies' sales and marketing efforts, achieving certain cost savings and effectively combining technologies to develop new products.

The Company's success will be dependent on recruiting and retaining highly qualified personnel.

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

The Company's business is subject to governmental laws and regulations.

The Company's operations are subject to regulation by various U.S. federal, state and international agencies. Laws and regulations enacted and enforced by these agencies impact all aspects of the Company's operations including design, development, manufacturing, labeling, selling and the importing and exporting of products across international borders. Any changes to laws and regulations governing such activities could have an effect on the Company's operations. If the Company fails to comply with any of these regulations, it may become subject to fines, penalties or actions that could impact development, manufacturing and distribution and/or increase costs or reduce sales. The approval process applicable to clinical diagnostic products of the type that may be developed by the Company may take a year or more. Delays in obtaining approvals could adversely affect the marketing of new products developed by the Company, and negatively affect the Company's revenues.

As a multinational corporation, the Company is subject to the tax laws and regulations of the U.S. federal, state and local governments and of several international jurisdictions. From time to time, new tax legislation may be implemented which could adversely affect current or future tax filings or negatively impact the Company's effective tax rate and thus increase future tax payments.

The Company is dependent on maintaining its intellectual property rights.

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

The Company is exposed to credit risk and fluctuations in the market values of its investment portfolio.

The Company has investments in marketable securities that are classified and accounted for as available-for-sale. These securities include U.S. government and agency securities, foreign government and agency securities, corporate debt and equity securities and certificates of deposit. These investments may experience reduced liquidity due to changes in market conditions and investor demand. Although the Company has not recognized any significant losses to date on its available-for-sale securities, any significant future declines in their market values could materially adversely affect the Company's financial condition and operating results. Given the global nature of its business, the Company has investments both domestically and internationally. Credit ratings and pricing of these investments can be negatively impacted by liquidity, credit deterioration or losses, financial results, or other factors. As a result, the value or liquidity of the Company's available-for-sale investments could decline and result in a material impairment, which could materially adversely affect the Company's financial condition and operating results.

The Company may incur losses as a result of its investments in ChemoCentryx, Inc. and other companies, the success of which is largely out of the Company's control.

The Company's expansion strategies include collaborations, investments in joint ventures and companies developing new products related to the Company's business, and the acquisition of businesses for new products, technologies and additional customer base. These strategies carry risks that objectives will not be achieved and future earnings will be adversely affected.

The Company has an approximate 18.0% equity investment in ChemoCentryx, Inc. (CCXI) that is valued at $94.7 million on the Company's June 30, 2012 Balance Sheet. CCXI is a biopharmaceutical company focused on discovering, developing and commercializing orally-administered therapeutics to treat autoimmune diseases, inflammatory diseases and cancers. The development of new drugs is a highly risky undertaking. CCXI is dependent on a limited number of products, must achieve favorable clinical trial results, obtain regulatory and marketing approval for these products and is reliant on a strategic alliance with GlaxoSmithKline. CCXI has also incurred significant losses and has yet to achieve profitability.

The ownership of CCXI shares is very concentrated, the share price is highly volatile and there is limited trading of the shares. These factors make it possible that the Company could experience future dilution or a substantial decline in the $65.2 million unrealized gain it has on its CCXI investment and/or its $29.5 million investment in CCXI.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved staff comments as of the date of this report.

ITEM 2. PROPERTIES

The Company owns the facilities that its headquarters and R&D Systems subsidiary occupy in Minneapolis, Minnesota. The Minneapolis facilities are utilized by both the Company's hematology and biotechnology segments.

The R&D Systems main complex includes approximately 500,000 square feet of administrative, research and manufacturing space in several adjoining buildings. The Company owns two additional properties adjacent to its main complex. The Company has renovated the first property and is currently leasing or plans to lease approximately 60% of the 176,000 square foot building as retail and office space and use the remainder as office, warehouse and storage space. The Company has recently begun renovation of the second property and plans to lease approximately 40% of the 179,000 square foot building as office space and use the remainder for manufacturing and shipping operations.

The Company owns approximately 649 acres of farmland, including buildings, in southeast Minnesota. A portion of the land and buildings are being leased to third parties as cropland and for a dairy operation. The remaining property is used by the Company to house goats and sheep for polyclonal antibody production for its biotechnology segment.

Rental income from the above properties was $693,000, $549,000 and $413,000 in fiscal 2012, 2011 and 2010, respectively.

The Company owns the 17,000 square foot facility that its R&D Europe subsidiary occupies in Abingdon, England. This facility is utilized by the Company's biotechnology segment.

The Company leases the following facilities, all of which are utilized by the Company's biotechnology segment:

Subsidiary	*Location*	*Type*	*Square Feet*
R&D GmbH	Wiesbaden-Nordenstadt, Germany	Office space	4,200
BiosPacific	Emeryville, California	Office space	3,000
R&D China	Shanghai, China	Office/warehouse	7,000
R&D Hong Kong	Hong Kong	Office space	1,200
Boston Biochem	Cambridge, Massachusetts	Office/lab	6,000
Tocris	Bristol, United Kingdom	Office/manufacturing/ lab/warehouse	11,000

The Company plans to build a new facility for its Tocris operations in Bristol, UK. Purchase of the land and construction of the 23,000 square foot facility is expected to begin in fiscal 2013 and be completed in fiscal 2014. The Company believes the owned and leased properties discussed above are adequate to meet its occupancy needs in the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS

In a previously disclosed lawsuit filed by Streck, Inc. (Streck), venued in the U.S. District Court for the District of Nebraska (the Nebraska Court), Streck alleged patent infringement involving certain patents issued to Streck relating to the addition of reticulocytes to hematology controls. Streck was seeking a royalty on sales of integrated hematology controls containing reticulocytes. The Company has reason to believe that R&D Systems, and not Streck, first invented the inventions claimed in these patents and several other patents issued to Streck. As a result, the Company requested, and in 2007 the U.S. Patent and Trademark Office (USPTO) declared, an interference to determine priority of invention between a patent application filed by R&D Systems and five Streck patents, including each of the patents involved in the lawsuit. On November 2, 2009, the interference board ordered that judgment for the Company and against Streck be entered; finding that R&D Systems was the first to invent the integrated hematology controls containing reticulocytes.

Days earlier, on October 28, 2009, at the conclusion of trial in the Nebraska Court, a jury decided that the Company did not meet its burden of demonstrating by clear and convincing evidence that the Streck patents were invalid. The jury also found that a reasonable license royalty rate was 12.5%, and that R&D Systems did not willfully infringe, resulting in a judgment in favor of Streck in the amount of approximately $170,000 including court-related costs. On September 30, 2010, the Nebraska Court upheld the jury verdict and, in a related action, reversed the ruling of the USPTO interference board. The Nebraska Court entered an injunction prohibiting the making and selling of the products that are the subject of the lawsuit.

In October 2010, the Company appealed the adverse decisions of the Nebraska Court to the Federal Circuit Court of Appeals. On October 20, 2011, the Federal Circuit issued an opinion upholding the District Court's interference-related finding of priority in favor of Streck, and on January 10, 2012, the Federal Circuit affirmed the District Court's infringement finding and permanent injunction. The Company filed a Petition for Writ of Certiorari to the United States Supreme Court, seeking to reverse or vacate the Federal Circuit affirmances. The Petition was not granted, and in June 2012, the Company paid $170,000 in full satisfaction of the judgment and court-related costs.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

The Company's common stock trades on the NASDAQ Global Select Market under the symbol "TECH." The following table sets forth for the periods indicated the high and low sales price per share for the Company's common stock as reported by the NASDAQ Global Select Market.

	Fiscal 2012 Price		*Fiscal 2011 Price*	
	High	*Low*	*High*	*Low*
1st Quarter	$86.43	$66.34	$63.44	$55.63
2nd Quarter	73.55	62.04	68.12	58.60
3rd Quarter	72.20	65.25	73.96	65.33
4th Quarter	74.79	63.08	83.82	71.54

As of August 23, 2012, there were over 25,000 beneficial shareholders of the Company's common stock and over 180 shareholders of record. The Company paid quarterly cash dividends totaling $41.0 million, $39.7 million and $38.4 million in fiscal 2012, 2011 and 2010, respectively. Its Board of Directors periodically considers the payment of cash dividends, and there is no guarantee that the Company will pay cash dividends in the future.

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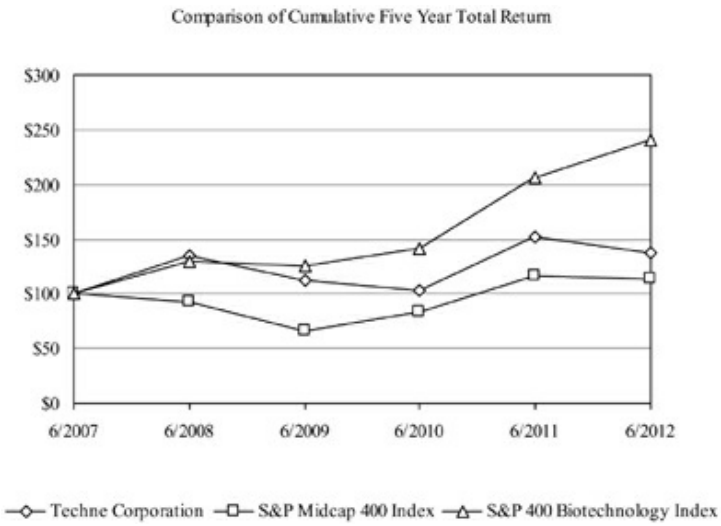
The following chart compares the cumulative total shareholder return on the Company's common stock with the S&P Midcap 400 Index and the S&P 400 Biotechnology Index. The comparison assumes $100 was invested on the last trading day before July 1, 2007 in the Company's common stock and in each of the foregoing indices and assumes reinvestment of dividends.



The following table sets forth the repurchases of Company common stock for the quarter ended June 30, 2012.

Period	*Total Number of Shares Purchased*	*Average Price Paid Per Share*	*Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs*	*Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs*
4/1/12 – 4/30/12	31,781	$ 66.76	31,781	$ 27.2 million
5/1/12 – 5/31/12	2,862	$ 67.79	2,862	$ 27.0 million
6/1/12 – 6/30/12	0	0	0	$ 27.0 million

In November 2007, the Company authorized a plan for the repurchase and retirement of up to $150 million of its common stock. In April 2009, the Company authorized an additional $60 million for its stock repurchase plan. The plan does not have an expiration date.

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ITEM 6. SELECTED FINANCIAL DATA

(dollars in thousands, except per share data)

Income and Share Data:	*2012*	*2011 (1)*	*2010*	*2009*	*2008*
Net sales	$314,560	$289,962	$269,047	$263,956	$257,420
Gross margin(2)	75.0%	77.6%	79.6%	78.8%	79.3%
Selling, general and administrative expenses(2)	13.3%	12.4%	12.2%	12.8%	14.5%
Research and development expenses(2)	8.9%	9.0%	9.3%	8.9%	8.7%
Operating income(2)	52.8%	56.2%	58.1%	57.1%	56.1%
Earnings before income taxes(2)	51.6%	56.9%	58.1%	58.9%	59.8%
Net earnings(2)	35.7%	38.7%	40.8%	39.9%	40.2%
Net earnings	$112,331	$112,302	$109,776	$105,242	$103,558
Diluted earnings per share	$ 3.04	$ 3.02	$ 2.94	$ 2.78	$ 2.64
Average common and common equivalent shares — diluted (in thousands)	37,006	37,172	37,347	37,900	39,247
Closing price per share:					
High	$ 85.13	$ 83.37	$ 69.65	$ 81.90	$ 79.73
Low	$ 62.37	$ 56.14	$ 57.10	$ 45.64	$ 56.20

Balance Sheet Data as of June 30:	*2012*	*2011*	*2010*	*2009*	*2008*
Cash, cash equivalents and short-term available-for-sale investments	$268,986	$140,813	$138,811	$202,887	$206,345
Receivables	37,741	37,860	34,137	31,153	33,332
Inventories	38,277	44,906	13,737	11,269	9,515
Working capital	310,757	212,229	184,016	239,944	238,194
Total assets	719,324	617,670	518,816	472,005	507,369

Cash Flow Data:	*2012*	*2011*	*2010*	*2009*	*2008*
Net cash provided by operating activities	$126,746	$127,194	$111,260	$111,321	$115,317
Capital expenditures	6,017	3,630	4,644	6,556	16,365
Cash dividends paid per common share(3)	1.11	1.07	1.03	0.75	0.00

Financial Ratios:	*2012*	*2011*	*2010*	*2009*	*2008*
Return on average equity	17.8%	20.6%	22.9%	22.3%	22.4%
Return on average assets	16.8%	19.8%	22.2%	21.5%	21.5%
Current ratio	9.7	12.7	11.8	16.5	12.8
Price to earnings ratio(4)	24	28	20	23	29

Employee Data as of June 30:	*2012*	*2011*	*2010*	*2009*	*2008*
Full-time employees	783	763	684	687	666

(1) The Company acquired Boston Biochem, Inc. on April 1, 2011 and Tocris Holdings Limited and subsidiaries on April 28, 2011.
(2) As a percent of net sales.
(3) The Company's Board of Directors periodically considers the payment of cash dividends.
(4) Common share price at end of fiscal year (June 30) divided by the diluted earnings per share for the respective fiscal year.

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

FORWARD-LOOKING INFORMATION

This report contains forward-looking statements, which are based on the Company's current assumptions and expectations. The principal forward-looking statements in this report include: the Company's expectations regarding product releases, governmental license renewals, future income tax rates, medical device excise tax, capital expenditures, the performance of the Company's investments, future dividend declarations, the construction and lease of certain facilities, adequacy of owned and leased property for future operations, and sufficiency of capital resources to meet the Company's foreseeable future cash and working capital requirements.

All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although the Company believes there is a reasonable basis for the forward-looking statements, the Company's actual results could be materially different. The most important factors which could cause the Company's actual results to differ from forward-looking statements are set forth in the Company's description of risk factors in Item 1A to this Annual Report on Form 10-K.

Forward-looking statements speak only as of the date they are made, and the Company does not undertake any obligation to update any forward-looking statements.

USE OF ADJUSTED FINANCIAL MEASURES:

The adjusted financial measures used in this Annual Report on Form 10-K quantify the impact the following events had on reported net sales, gross margin percentages and net earnings for fiscal 2012 as compared to fiscal 2011 and 2010:

- fluctuations in exchange rates used to convert transactions in foreign currencies (primarily the Euro, British pound sterling and Chinese yuan) to U.S. dollars;
- the acquisitions of Boston Biochem, Inc. on April 1, 2011 and Tocris Holdings Limited on April 28, 2011, including the recognition of costs upon the sale of inventory written-up to fair value;
- professional fees and other costs incurred as part of the acquisitions of Boston Biochem, Inc. and Tocris Holdings Limited;
- intangible asset amortization;
- impairment losses related to the Company's investments in unconsolidated entities;
- the reversal of valuation allowances on deferred tax assets related to the excess tax basis in the Company's unconsolidated entities; and
- the tax benefit from repatriation of funds from R&D Europe.

These adjusted financial measures are not prepared in accordance with generally accepted accounting principles (GAAP) and may be different from adjusted financial measures used by other companies. Adjusted financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. The Company views these adjusted financial measures to be helpful in assessing the Company's ongoing operating results. In addition, these adjusted financial measures facilitate our internal comparisons to historical operating results and comparisons to competitors' operating results. These adjusted financial measures are included in this Annual Report on Form 10-K because the Company believes they are useful to investors in allowing for greater transparency related to supplemental information used in the Company's financial and operational analysis. Investors are encouraged to review the reconciliations of adjusted financial measures used in this Annual Report on Form 10-K to their most directly comparable GAAP financial measures.

OVERVIEW

TECHNE Corporation and subsidiaries (the Company) are engaged in the development, manufacture and sale of biotechnology products and hematology calibrators and controls. These activities are conducted domestically through its wholly-owned subsidiaries, Research and Diagnostic Systems, Inc. (R&D Systems), Boston Biochem, Inc. (Boston Biochem) and BiosPacific, Inc. (BiosPacific). The Company's European biotechnology operations are conducted through its wholly-owned U.K. subsidiaries, R&D Systems Europe Ltd. (R&D Europe) and Tocris Holdings Limited (Tocris). R&D Europe has a sales subsidiary, R&D Systems GmbH, in Germany and a sales office in France. The Company distributes its biotechnology products in China through its wholly-owned subsidiary, R&D Systems China Co., Ltd. (R&D China). R&D China has a sales subsidiary, R&D Systems Hong Kong Ltd., in Hong Kong.

The Company has two reportable segments based on the nature of its products (biotechnology and hematology). R&D Systems' Biotechnology Division, R&D Europe, Tocris, R&D China, BiosPacific and Boston Biochem operating segments are included in the biotechnology reporting segment. The Company's biotechnology reporting segment develops, manufactures and sells biotechnology research and diagnostic products world-wide. The Company's hematology reporting segment, which consists of R&D Systems' Hematology Division, develops and manufactures hematology controls and calibrators for sale world-wide.

OVERALL RESULTS

Consolidated net sales increased 8.5% and consolidated net earnings were flat for fiscal 2012 as compared to fiscal 2011. Consolidated net sales in fiscal 2012 were impacted by the acquisitions of Boston Biochem and Tocris during the fourth quarter of fiscal 2011. Included in fiscal 2012 and 2011 consolidated net sales were $19.4 million and $4.7 million of acquisition-related net sales that were not comparable to the prior fiscal year. Consolidated net earnings for fiscal 2012 included $7.6 million of costs recognized upon the sale of inventory that was written-up to fair value at the time of the acquisitions and $5.1 million amortization of intangible assets compared to $1.8 million and $1.5 million, respectively, in fiscal 2011. Consolidated net earnings in fiscal 2012 also included impairment losses of $3.3 million recorded on two of the Company's investments in unconsolidated entities and a $3.0 million tax benefit from the reversal of deferred tax valuation allowances.

Consolidated net sales and consolidated net earnings increased 7.8% and 2.3%, respectively, for fiscal 2011 as compared to fiscal 2010. Consolidated net sales for fiscal 2011 included $4.7 million net sales from companies acquired during fiscal 2011. Consolidated net sales in fiscal 2011 were affected by changes in exchange rates from the prior year used to convert consolidated net sales in foreign currencies into U.S. dollars and the impact of repatriation of prior-year earnings in fiscal 2010. Consolidated net earnings for fiscal 2010 included a $4.7 million tax benefit as a result of a foreign currency exchange tax loss on the repatriation of prior-year earnings from R&D Europe to the U.S.

RESULTS OF OPERATIONS

Net sales

Consolidated organic net sales, excluding the impact of the acquisitions and the effect of the change from the prior year in exchange rates used to convert sales in foreign currencies (primarily British pound sterling, euros and Chinese yuan) into U.S. dollars, were as follows (in thousands):

	Year Ended June 30,		
	2012	*2011*	*2010*
Consolidated net sales	$314,560	$289,962	$269,047
Organic sales adjustments:			
Acquisitions	(19,385)	(4,683)	0
Impact of foreign currency fluctuations	27	(466)	(888)
Consolidated organic net sales	$295,202	$284,813	$268,159
Organic sales growth	1.8%	5.9%	1.6%

Net sales by reportable segment were as follows (in thousands):

	Year Ended June 30,		
	2012	2011	2010
Biotechnology	$293,274	$270,287	$250,653
Hematology	21,286	19,675	18,394
	$314,560	$289,962	$269,047

Biotechnology segment net sales increased $23.0 million (8.5%) and $19.6 million (7.8%), respectively, in fiscal 2012 and fiscal 2011 from each of the prior fiscal years. Biotechnology segment organic net sales increased $3.6 million (1.3%) and $14.5 million (5.8%), respectively, in fiscal 2012 and 2011, primarily as a result of increased sales volume. Included in fiscal 2012 and 2011 net sales were $2.7 million and $2.5 million, respectively, of sales of new protein based biotechnology products which had their first sale in each of the fiscal years.

Biotechnology segment organic sales growth from the same prior-year periods was as follows:

	Year Ended June 30,	
	2012	2011
U.S. industrial, pharmaceutical and biotechnology	3.2%	4.8%
U.S. academic	(5.1%)	6.4%
Europe	(1.5%)	4.1%
China	21.6%	22.6%
Pacific Rim	7.0%	4.1%

Biotechnology segment net sales consisted of the following:

	Year Ended June 30, 2012
United States	
Industrial, pharmaceutical and biotechnology	28%
Academic	12%
Acquisitions	4%
Other	13%
	57%
Europe	26%
Acquisitions	3%
	29%
China	4%
Pacific Rim distributors	8%
Rest of world	2%
	100%

Hematology segment net sales increased $1.6 million (8.2%) and $1.3 million (7.0%), respectively, in fiscal 2012 and 2011 from each of the prior fiscal years, primarily as a result of increased sales volume.

Gross margins

Consolidated gross margins for fiscal 2012 and 2011 were negatively impacted as a result of purchase accounting related to inventory and intangible assets acquired during the fourth quarter of fiscal 2011. Under purchase accounting, inventory is valued at fair value less expected selling and marketing costs, resulting in reduced margins in future periods as the inventory is sold.

A reconciliation of the reported consolidated gross margin percentages, adjusted for acquired inventory sold and intangible amortization included in cost of sales, is as follows:

	Year Ended June 30,		
	2012	2011	2010
Consolidated gross margin percentage	75.0%	77.6%	79.6%
Identified adjustments:			
Costs recognized upon sale of acquired inventory	2.4%	0.6%	0.0%
Amortization of intangibles	1.0%	0.3%	0.2%
Adjusted gross margin percentage	78.4%	78.5%	79.8%

Segment gross margins, as a percentage of net sales, were as follows:

	Year Ended June 30,		
	2012	2011	2010
Biotechnology	76.9%	79.8%	81.9%
Hematology	48.6%	47.0%	47.7%
Consolidated	75.0%	77.6%	79.6%

The Biotechnology segment gross margin percentages for fiscal 2012 and 2011 were negatively impacted by purchase accounting and intangible asset amortization as discussed above. The Hematology segment gross margin percentages changed from the comparable prior-year periods as a result of changes in product mix.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $5.8 million (16.1%) and $3.2 million (9.8%) in fiscal 2012 and 2011, respectively. The increase resulted primarily from expenses of the companies acquired in late fiscal 2011, an increase in customer relationships and trade name amortization as a result of the acquisitions and professional and other acquisition related costs.

The change from the comparable fiscal year was primarily the result of the following (in thousands):

	Increase/ (Decrease)	
	2012	2011
Professional and other acquisition related costs	$(1,735)	$1,735
Increase due to acquired companies selling, general and administrative expenses	3,256	945
Customer relationships and trade names amortization	1,502	50
Non-acquisition related legal fees	(117)	(555)
Stock-based compensation expense	503	3
Profit sharing and bonus expense	40	806
Other, including annual wage, salary and benefit increases	2,337	213
	$ 5,786	$3,197

The decrease in non-acquisition related legal fees in fiscal 2012 and 2011 was primarily from lower costs associated with ongoing patent interference and infringement litigation. Fiscal 2012 legal costs also include $170,000 for the settlement of the litigation. The increase in fiscal 2012 stock-based compensation expense was the result of options issued to employees in connection with the acquisitions in fiscal 2011. The increase in 2011 profit sharing and bonus expense reflect the change in financial results from fiscal 2010. The remainder of the change in selling, general and administrative expenses for both fiscal years was mainly the result of annual wage, salary and benefit increases.

Consolidated selling, general and administrative expenses were composed of the following (in thousands):

	Year Ended June 30,		
	2012	2011	2010
Biotechnology	$36,453	$30,058	$27,511
Hematology	1,697	1,451	1,393
Unallocated corporate expenses	3,533	4,388	3,796
	$41,683	$35,897	$32,700

Research and development expenses

Research and development expenses increased $1.9 million (7.4%) and $864,000 (3.4%) in fiscal 2012 and 2011, respectively, as compared to prior-year periods. The increases were primarily the result of the development of new proteins, antibodies and assay kits by R&D Systems' Biotechnology Division and product development by Boston Biochem and Tocris in fiscal 2012. The Company introduced 1,800 and 1,646 new biotechnology products in fiscal 2012 and 2011, respectively. Research and development expenses are composed of the following (in thousands):

	Year Ended June 30,		
	2012	2011	2010
Biotechnology	$27,112	$25,176	$24,331
Hematology	800	809	790
	$27,912	$25,985	$25,121

Interest income

Interest income for fiscal 2012, 2011 and 2010 was $2.6 million, $3.8 million and $4.4 million, respectively. The decrease in fiscal 2012 from the prior fiscal year was primarily the result of lower cash and available-for-sale debt securities as a result of the acquisitions in late fiscal 2011. The decrease in fiscal 2011 from the prior fiscal year was primarily the result of lower rates of return on cash and available-for-sale investments, offset in part by higher cash and available-for-sale investment balances prior to the acquisitions.

Impairment loss on investments in unconsolidated entities

The Company holds a 16.8% ownership interest in Nephromics, Inc. (Nephromics) and accounts for its investment under the equity method of accounting as Nephromics is a limited liability company. During fiscal 2012, Nephromics signed an agreement to sell substantially all of its assets. As a result of the agreement, the Company determined that a portion of its investment in Nephromics was other-than-temporarily impaired and wrote off $2.4 million of this investment during the third quarter of fiscal 2012. The Company's net investment in Nephromics was $505,000 and $3.7 million at June 30, 2012 and 2011, respectively.

The Company holds a 13.6% ownership interest in ACTGen, Inc. (ACTGen), a development stage biotechnology company. During fiscal 2012, the Company determined that, based on ACTGen financial results for calendar 2011 and its current operational and funding status, the Company's investment in ACTGen was other-than-temporarily impaired and wrote off its remaining investment of $854,000 during the third quarter of fiscal 2012. The Company's net investment in ACTGen was $925,000 at June 30, 2011.

Other non-operating expense, net

Other non-operating expense, net, consists of foreign currency transaction gains and losses, rental income, building expenses related to rental property and the Company's share of losses by equity method investees as follows (in thousands):

	Year Ended June 30,		
	2012	2011	2010
Foreign currency (losses) gains	$(1,362)	$ 844	$ (960)
Rental income	693	549	413
Real estate taxes, depreciation and utilities	(2,127)	(2,293)	(2,200)
Losses by equity method investees	(603)	(926)	(1,510)
	$(3,399)	$(1,826)	$(4,257)

Income taxes

Income taxes for fiscal 2012, 2011 and 2010 were provided at rates of 30.7%, 31.9% and 29.8%, respectively, of consolidated earnings before income taxes. Included in income taxes for fiscal 2012 was a $3.0 million benefit due to the reversal of a deferred tax valuation allowance on the excess tax basis in the Company's investments in unconsolidated entities. The Company determined such valuation allowance was no longer necessary as a result of the Company's unrealized gain on its investment in ChemoCentryx, Inc. (CCXI). The Company has the intent and ability to sell a portion of its CCXI investment and realize a long-term capital gain to offset long-term capital losses from its investments in unconsolidated entities. Excluding this benefit, the effective tax rate for fiscal 2012 would have been 32.6%.

The fiscal 2012 consolidated tax rate was negatively impacted by the expiration of the U.S. research and development credit on December 31, 2011, while the fiscal 2011 consolidated tax rate was positively impacted by the renewal of the U.S. research and development credit for the January to December 2011 period. Fiscal 2011 included $431,000 of credit for research and development for the January to June 2010 period. The fiscal 2010 consolidated tax rate was positively impacted by a $4.7 million tax benefit from a foreign currency exchange tax loss related to the repatriation of £50 million ($74.4 million) from R&D Europe to the U.S. The Company had previously paid U.S. income taxes on the foreign earnings that were included in the repatriated funds. Excluding this tax benefit, the effective tax rate for fiscal 2010 would have been 32.8%.

U.S. federal taxes have been reduced by the manufacturer's deduction provided for under the American Jobs Creation Act of 2004. Foreign income taxes have been provided at rates which approximate the tax rates in the countries in which R&D Europe, Tocris and R&D China operate. The Company expects income tax rates for fiscal 2013 to range from 31% to 33%.

Net earnings

Consolidated net earnings, excluding the impact of accounting for acquired inventory, amortization of intangible assets, acquisition costs, impairment losses on investments and income tax adjustments are as follows (in thousands):

	Year Ended June 30,		
	2012	2011	2010
Net earnings	$112,331	$112,302	$109,776
Identified adjustments:			
Costs recognized upon sale of acquired inventory	7,573	1,835	0
Amortization of intangibles	5,094	1,465	960
Professional and other acquisition related costs	0	1,735	0
Impairment loss on investments	3,254	0	0
Tax impact of above adjustments	(4,668)	(1,119)	(346)
Tax benefit from reversal of valuation allowance	(3,016)	0	0
Tax benefit from repatriation	0	0	(4,660)
Adjusted net earnings	$120,568	$116,218	$105,730
Adjusted net earnings growth	3.7%	9.9%	(0.1%)

QUARTERLY FINANCIAL INFORMATION (Unaudited)

(in thousands, except per share data)

	Fiscal 2012				Fiscal 2011			
	First Qtr.	Second Qtr.	Third Qtr.	Fourth Qtr.	First Qtr.	Second Qtr.	Third Qtr.	Fourth Qtr.(1)
Net sales	$77,596	$74,662	$83,621	$78,681	$67,945	$67,708	$76,271	$78,038
Gross margin	58,387	55,170	63,383	58,864	52,595	52,381	60,330	59,631
Earnings before taxes	40,500	37,873	43,205(2)	40,617	38,953	37,673	45,384	42,971
Income taxes	12,979	12,060	11,449(3)	13,376	12,580	11,139	14,320	14,640
Net earnings	27,521	25,813	31,756	27,241	26,373	26,534	31,064	28,331
Basic earnings per share	0.74	0.70	0.86	0.74	0.71	0.72	0.84	0.76
Diluted earnings per share	0.74	0.70	0.86	0.74	0.71	0.71	0.84	0.76

(1) Includes the results of operations and acquisition costs related to the Boston Biochem (April 1, 2011) and Tocris (April 28, 2011) acquisitions.
(2) Includes $3.3 million impairment loss on investments in unconsolidated entities.
(3) Includes $3.0 million benefit from reversal of deferred tax valuation allowance.

LIQUIDITY AND CAPITAL RESOURCES

Cash, cash equivalents and available-for-sale investments at June 30, 2012 were $413 million compared to $273 million at June 30, 2011. Included in available-for-sale investments at June 30, 2012 was the fair value of the Company's investment in ChemoCentryx, Inc. (CCXI) of $94.7 million. CCXI's initial public offering was in February 2012. Subsequent to the initial public offering, the Company accounts for the investment as a marketable equity security and includes the fair market value of the investment in "Short-term available-for-sale investments" on the Consolidated Balance Sheet. Prior to February 2012, the Company accounted for its investment on a cost basis and included its investment in "Investments in unconsolidated entities" on the Consolidated Balance Sheet. The Company has an unsecured line of credit of $750,000 available at June 30, 2012 which expires on October 31, 2012. The interest rate charged on the line of credit is a floating rate at the one month London interbank offered rate (Libor) plus 1.75%. There were no borrowings on the line in the current or prior fiscal year.

At June 30, 2012, approximately 62%, 36%, and 2% of the Company's cash and equivalent account balances of $116 million are located in the U.S., United Kingdom and China, respectively. At June 30, 2012, approximately 97% of the Company's available-for-sale investment accounts are located in the U.S., with the remaining 3% in China. The Company has either paid U.S. taxes on its undistributed foreign earnings or intends to indefinitely reinvest the undistributed earnings in the foreign operations. Management of the Company expects to be able to meet its foreseeable future cash and working capital requirements for operations, facility expansion and capital additions at each of its geographical locations through currently available funds, cash generated from operations and maturities of available-for-sale investments.

Cash flows from operating activities

The Company generated cash from operations of $126 million, $127 million and $111 million in fiscal 2012, 2011 and 2010, respectively. The decrease in cash generated from operating activities in fiscal 2012 as compared to fiscal 2011 was mainly the result of an increase in net earnings after adjustment for non-cash expenses, offset by a decrease in income taxes payable due to the timing of tax deposits.

The cash generated from operating activities in fiscal 2011 as compared to fiscal 2010 was mainly the result of changes in income taxes payable and deferred income taxes as a result of timing of tax payments and the usage in fiscal 2011 of the foreign tax credit carryforward generated in fiscal 2010 plus increased net earnings of $2.5 million.

Cash flows from investing activities

On April 1, 2011, the Company acquired the assets of Boston Biochem, a leading developer and manufacturer of innovative ubiquitin-related biotechnology research products, for approximately $7.9 million. On April 28, 2011, the Company acquired 100% ownership of Tocris, a leading supplier of reagents for non-clinical life science research for £75 million (approximately $124 million). The acquisitions were financed through cash and cash equivalents on hand and sales of available-for-sale investments.

The Company's net purchases (sales) of available-for-sale investments in fiscal 2012, 2011 and 2010 were $15.3 million, ($22.2) million and $110 million, respectively. The large net purchase of available-for-sale investments in fiscal 2010 was primarily the result of the repatriation of funds from the U.K., where the funds had been invested in instruments classified as cash and equivalents, to the U.S., where the funds were invested in available-for-sale investments. The Company's investment policy is to place excess cash in municipal and corporate bonds with the objective of obtaining the highest possible return while minimizing risk and keeping the funds accessible.

Capital additions consist of the following (in thousands):

	Year Ended June 30,		
	2012	*2011*	*2010*
Laboratory, manufacturing, and computer equipment	$2,521	$2,605	$1,972
Construction/renovation	3,496	1,025	2,672
	$6,017	$3,630	$4,644

Capital additions planned for fiscal 2013 are as follows (in millions):

Laboratory, manufacturing, and computer equipment	$ 2.3
Renovation in Minneapolis, Minnesota (fiscal 2013 completion)	2.3
Renovation in Minneapolis, Minnesota of expansion space (fiscal 2014 completion)	22.5
Land purchase and construction of new facility in Bristol, UK (fiscal 2014 completion)	16.0
	$43.1

Capital additions are expected to be financed through currently available cash and cash generated from operations.

In fiscal 2012 and 2010, the Company received $463,000 and $50,000, respectively, in distributions from Nephromics, LLC (Nephromics). At June 30, 2012 and 2011, the Company's net investment in Nephromics was $505,000 and $3.7 million, respectively.

Cash flows from financing activities

In fiscal 2012, 2011 and 2010, the Company paid cash dividends of $41.0 million, $39.7 million and $38.4 million, respectively. The Board of Directors periodically considers the payment of cash dividends.

The Company received $847,000, $4.8 million and $3.3 million for the exercise of options for 17,000, 114,000 and 73,000 shares of common stock in fiscal 2012, 2011 and 2010, respectively. The Company recognized excess tax benefits from stock option exercises of $51,000, $847,000 and $196,000 in fiscal 2012, 2011 and 2010, respectively.

In fiscal 2012, 2011 and 2010, the Company purchased 13,140, 4,923 and 9,827 shares of common stock, respectively, for its employee stock bonus plans at a cost of $907,000, $294,000 and $607,000, respectively.

In fiscal 2008, the Board of Directors authorized the Company to purchase up to $150 million of its common stock and in fiscal 2009 increased the authorization by $60 million. In fiscal 2012, the Company purchased and retired 344,000 shares of common stock at a market value of $23.6 million. There were no stock repurchases in fiscal 2011. In fiscal 2010, the Company purchased and retired 284,000 shares of common stock at a market value of $16.9 million, of which $15.0 million was disbursed prior to June 30, 2010 and $1.9 million was disbursed in fiscal 2011. At June 30, 2012, approximately $27.0 million remained available for purchase under the fiscal 2009 authorization.

CONTRACTUAL OBLIGATIONS

The following table summarizes the Company's contractual obligations and commercial commitments as of June 30, 2012 (in thousands):

		Payments Due by Period			
	Total	*Less than 1 Year*	*1-3 Years*	*3-5 Years*	*After 5 Years*
Operating leases	$2,036	$ 769	$587	$284	$ 396
Minimum royalty payments	170	170	0	0	0
	$2,206	$ 939	$587	$284	$ 396

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING POLICIES

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

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

Valuation of available-for-sale investments

The Company considers all of its marketable securities available-for-sale and reports them at fair market value. Fair market values are based on quoted market prices. Unrealized gains and losses on available-for-sale investments are excluded from income, but are included, net of taxes, in other comprehensive income. If an "other-than-temporary" impairment is determined to exist, the difference between the value of the investment recorded in the financial statements and the Company's current estimate of fair value is recognized as a charge to earnings in the period in which the impairment is determined. Net unrealized gains on available-for-sale investments at June 30, 2012 were $66.3 million.

Valuation of inventory

Inventories are stated at the lower of cost (first-in, first-out method) or market. The Company regularly reviews inventory on hand for slow-moving and obsolete inventory, inventory not meeting quality control standards and inventory subject to expiration.

To meet strict customer quality standards, the Company has established a highly controlled manufacturing process for proteins and antibodies. New protein and antibody products require the initial manufacture of multiple batches to determine if quality standards can be consistently met. In addition, the Company will produce larger batches of established products than current sales requirements due to economies of scale. The manufacturing process for proteins and antibodies, therefore, has and will continue to produce quantities in excess of forecasted usage. The Company values its manufactured protein and antibody inventory based on a two-year forecast. The establishment of a two-year forecast requires considerable judgment. Protein and antibody quantities in excess of the two-year usage forecast are not valued due to uncertainty over salability. The value of protein and antibody inventory not valued at June 30, 2012 was $23.3 million.

The fair value of inventory purchased in fiscal 2011 through the acquisitions of Boston Biochem and Tocris were determined based on quantities acquired, selling prices at the date of acquisition and management's assumptions regarding inventory having future value and the costs to sell such inventories. At the acquisition dates, the value of acquired inventory was increased $25.7 million for a total acquired inventory value of $33.0 million. In addition, the Company acquired inventory that was not valued as part of the purchase price allocation as it was in excess of forecasted usage. The increase in value of the acquired inventory remaining at June 30, 2012 was $15.2 million.

Valuation of intangible assets and goodwill

When a business is acquired, the purchase price is allocated, as applicable, between tangible assets, identifiable intangible assets and goodwill. Determining the portion of the purchase price allocated to intangible assets requires significant estimates. The fair value of intangible assets acquired in fiscal 2011, including developed technologies, trade names, customer relationships and a non-compete agreement, were based on management's forecasted cash inflows and outflows using a relief-from-royalty and multi-period excess earnings method with consideration to other factors including an independent valuation of management's assumptions. Intangible assets are being amortized over their estimated useful lives, ranging from 5 to 15 years. The Company reviews the carrying amount of intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Intangible assets, net of accumulated amortization, were $46.5 million at June 30, 2012.

Goodwill recognized in connection with a business acquisition represents the excess of the aggregate purchase price over the fair value of net assets acquired. Goodwill is tested for impairment annually or more frequently if changes in circumstance or the occurrence of events suggest impairment exists. Assessing the impairment of goodwill requires the Company to make judgments regarding the fair value of the net assets of its reporting units and the allocation of the carrying amount of shared assets to the reporting units. The Company's annual assessment included a qualitative assessment of whether it is more-likely-than-not that a reporting unit's fair value is less than its carrying value. A significant change in the Company's market capitalization or in the carrying amount of net assets of a reporting unit could result in an impairment charge in future periods. The Company completed its annual impairment testing of goodwill and concluded that no impairment existed as of June 30, 2012, as the fair values of the Company's reporting units exceeded their carrying values. Goodwill at June 30, 2012 was $85.7 million.

Valuation of investments

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

The Company periodically assesses its equity investments for impairment. Development stage companies of the type the Company has invested in are dependent on their ability to raise additional funds to continue research and development efforts and on receiving patent protection and/or U.S. Food and Drug Administration (FDA) clearance to market their products. If such funding were unavailable or inadequate to fund operations or if patent protection or FDA clearance were not received, the Company would potentially recognize an impairment loss to the extent of its remaining net investment. In fiscal 2012, the Company determined that its investment in Nephromics was partially impaired and wrote off $2.4 million as an impairment loss. The Company also determined that its investment in ACTGen was fully impaired and wrote off $854,000 as an impairment loss. The Company's net investments at June 30, 2012 in Nephromics and Hemerus were $505,000 and 551,000, respectively.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At the end of fiscal 2012, the Company had a portfolio of fixed income debt securities, excluding those classified as cash and cash equivalents, of $202 million (see Note C to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K). 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's investment policy requires all investment in short-term and long-term securities to have at least debt ratings of A1 or A3 (or the equivalent), respectively. As the Company's fixed income securities are classified as available-for-sale, no gains or losses are recognized by the Company in its Consolidated Statement of Earnings and Comprehensive Income due to changes in interest rates unless such securities are sold prior to maturity. The Company generally holds its fixed income securities until maturity and, historically, has not recorded any material gains or losses on any sale prior to maturity.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency exchange rates. Approximately 30% of consolidated net sales are made in foreign currencies, including 15% in euro, 7% in British pound sterling, 3% in Chinese yuan and the remaining 5% in other European currencies. As a result, the Company is exposed to market risk mainly from foreign exchange rate fluctuations of the euro, British pound sterling, and the Chinese yuan as compared to the U.S. dollar as the financial position and operating results of the Company's foreign operations are translated into U.S. dollars for consolidation.

Month-end exchange rates between the British pound sterling, euro and Chinese yuan and the U.S. dollar, which have not been weighted for actual sales volume in the applicable months in the periods, were as follows:

	Year Ended June 30,		
	2012	2011	2010
British pound:			
High	$1.64	$1.67	$1.67
Low	1.54	1.53	1.45
Average	1.59	1.59	1.58
Euro:			
High	$1.44	$1.48	$1.50
Low	1.24	1.27	1.22
Average	1.34	1.37	1.38
Chinese yuan:			
High	$.159	$.155	$.148
Low	.155	.148	.146
Average	.158	.151	.146

The Company's exposure to foreign exchange rate fluctuations also arises from trade receivables and intercompany payables denominated in one currency in the financial statements, but receivable or payable in another currency. At June 30, 2012, the Company had the following trade receivable and intercompany payables denominated in one currency but receivable or payable in another currency (in thousands):

	Denominated Currency	U. S. Dollar Equivalent
Accounts receivable in:		
Euros	£ 966	$ 1,518
Other European currencies	£ 918	$ 1,442
Intercompany payable in:		
Euros	£ 163	$ 255
U.S. dollars	£ 2,584	$ 4,059
U.S. dollars	yuan 4,972	$ 783
British pound sterling	yuan 152	24

All of the above balances are revolving in nature and are not deemed to be long-term balances.

The Company does not enter into foreign currency forward contracts to reduce its exposure to foreign currency rate changes on forecasted intercompany sales transactions or on intercompany foreign currency denominated balance sheet positions. Foreign currency transaction gains and losses are included in "Other non-operating expense, net" in the Consolidated Statement of Earnings and Comprehensive Income. The effect of translating net assets of foreign subsidiaries into U.S. dollars are recorded on the Consolidated Balance Sheet as part of "Accumulated other comprehensive income (loss)."

The effects of a hypothetical simultaneous 10% appreciation in the U.S. dollar from June 30, 2012 levels against the euro, British pound sterling and Chinese yuan are as follows (in thousands):

Decrease in translation of 2012 earnings into U.S. dollars	$ 2,375
Decrease in translation of net assets of foreign subsidiaries	14,732
Additional transaction losses	484

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

TECHNE Corporation and Subsidiaries
(in thousands, except per share data)

	Year Ended June 30,		
	2012	2011	2010
Net sales	$314,560	$289,962	$269,047
Cost of sales	78,756	65,025	54,898
Gross margin	235,804	224,937	214,149
Operating expenses:			
Selling, general and administrative	41,683	35,897	32,700
Research and development	27,912	25,985	25,121
Total operating expenses	69,595	61,882	57,821
Operating income	166,209	163,055	156,328
Other income (expense):			
Interest income	2,639	3,752	4,375
Impairment losses on investments	(3,254)	0	0
Other non-operating expense, net	(3,399)	(1,826)	(4,257)
Total other (expense) income	(4,014)	1,926	118
Earnings before income taxes	162,195	164,981	156,446
Income taxes	49,864	52,679	46,670
Net earnings	112,331	112,302	109,776
Other comprehensive income (loss):			
Foreign currency translation adjustments	(3,804)	5,028	(13,932)
Unrealized gains (losses) on available-for-sale investments, net of tax of $23,422, ($44) and $97, respectively	41,870	(85)	175
Other comprehensive income (loss)	38,066	4,943	(13,757)
Comprehensive income	$150,397	$117,245	$ 96,019
Earnings per share:			
Basic	$ 3.04	$ 3.03	$ 2.95
Diluted	$ 3.04	$ 3.02	$ 2.94
Cash dividends per common share:	$ 1.11	$ 1.07	$ 1.03
Weighted average common shares outstanding:			
Basic	36,939	37,098	37,255
Diluted	37,006	37,172	37,347

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS
TECHNE Corporation and Subsidiaries
(in thousands, except share and per share data)

	June 30, 2012	June 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$116,675	$ 77,613
Short-term available-for-sale investments	152,311	63,200
Trade accounts receivable, less allowance for doubtful accounts of $455 and $448, respectively	35,668	35,914
Other receivables	2,073	1,946
Inventories	38,277	44,906
Deferred income taxes	0	5,797
Prepaid expenses	1,503	1,041
Total current assets	346,507	230,417
Available-for-sale investments	143,966	131,988
Property and equipment, net	93,788	95,398
Goodwill	85,682	86,633
Intangible assets, net	46,476	52,282
Investments in unconsolidated entities	1,056	19,633
Other assets	1,849	1,319
	$719,324	$617,670
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	$ 6,291	$ 5,207
Salaries, wages and related accruals	4,699	4,784
Accrued expenses	7,275	2,688
Income taxes payable	3,251	5,509
Deferred income taxes	14,234	0
Total current liabilities	35,750	18,188
Deferred income taxes	9,132	13,360
Commitments and contingencies (Note I)		
Shareholders' equity:		
Undesignated capital stock, no par; authorized 5,000,000 shares; none issued or outstanding	0	0
Common stock, par value $.01 a share; authorized 100,000,000 shares; issued and outstanding 36,826,364 and 37,153,398 shares, respectively	368	371
Additional paid-in capital	131,851	129,312
Retained earnings	520,448	472,730
Accumulated other comprehensive income (loss)	21,775	(16,291)
Total shareholders' equity	674,442	586,122
	$719,324	$617,670

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY TECHNE
Corporation and Subsidiaries
(in thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Compre-hensive Income(Loss)	Total
Balances at June 30, 2009	37,244	$ 372	$117,946	$345,641	$ (7,477)	$456,482
Net earnings				109,776		109,776
Other comprehensive loss					(13,757)	(13,757)
Common stock issued for exercise of options	73	1	3,260			3,261
Repurchase of common stock	(284)	(3)		(16,910)		(16,913)
Cash dividends				(38,388)		(38,388)
Stock-based compensation expense			1,135			1,135
Tax benefit from exercise of stock options			196			196
Balances at June 30, 2010	37,033	370	122,537	400,119	(21,234)	501,792
Net earnings				112,302		112,302
Other comprehensive income					4,943	4,943
Common stock issued for exercise of options	129	1	5,351			5,352
Surrender and retirement of stock to exercise options	(9)	(0)	(561)			(561)
Cash dividends				(39,691)		(39,691)
Stock-based compensation expense			1,138			1,138
Tax benefit from exercise of stock options			847			847
Balances at June 30, 2011	37,153	371	129,312	472,730	(16,291)	586,122
Net earnings				112,331		112,331
Other comprehensive income					38,066	38,066
Common stock issued for exercise of options	17	0	847			847
Repurchase of common stock	(344)	(3)		(23,595)		(23,598)
Cash dividends				(41,018)		(41,018)
Stock-based compensation expense			1,641			1,641
Tax benefit from exercise of stock options			51			51
Balances at June 30, 2012	36,826	$ 368	$131,851	$520,448	$ 21,775	$674,442

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
TECHNE Corporation and Subsidiaries
(in thousands)

	Year Ended June 30,		
	2012	2011	2010
Cash flows from operating activities:			
Net earnings	$ 112,331	$ 112,302	$ 109,776
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	12,467	8,700	8,130
Costs recognized on sale of acquired inventory	7,573	1,835	0
Deferred income taxes	(7,363)	3,194	(1,551)
Stock-based compensation expense	1,641	1,138	1,135
Excess tax benefit from stock option exercises	(51)	(847)	(196)
Impairment losses on investments	3,254	0	0
Losses by equity method investees	603	926	1,510
Other	230	225	222
Change in operating assets and liabilities, net of acquisitions:			
Trade accounts and other receivables	(2,096)	(3,624)	(4,034)
Inventories	(1,577)	(1,021)	(2,368)
Prepaid expenses	(476)	256	(186)
Trade accounts payable and accrued expenses	1,581	(591)	(74)
Salaries, wages and related accruals	686	1,268	414
Income taxes payable	(2,057)	3,433	(1,518)
Net cash provided by operating activities	126,746	127,194	111,260
Cash flows from investing activities:			
Acquisitions, net of cash acquired	0	(131,766)	0
Purchase of available-for-sale investments	(147,011)	(151,366)	(176,621)
Proceeds from sale of available-for-sale investments	64,291	134,019	27,045
Proceeds from maturities of available-for-sale investments	67,435	39,501	39,555
Additions to property and equipment	(6,017)	(3,630)	(4,644)
Distribution from unconsolidated entity	463	0	50
Increase in other long-term assets	(829)	(943)	0
Net cash used in investing activities	(21,668)	(114,185)	(114,615)
Cash flows from financing activities:			
Cash dividends	(41,018)	(39,691)	(38,388)
Proceeds from stock option exercises	847	4,790	3,261
Excess tax benefit from stock option exercises	51	847	196
Purchase of common stock for stock bonus plans	(907)	(294)	(607)
Repurchase of common stock	(23,598)	(1,940)	(14,973)
Net cash used in financing activities	(64,625)	(36,288)	(50,511)
Effect of exchange rate changes on cash and cash equivalents	(1,391)	6,753	(12,935)
Net change in cash and cash equivalents	39,062	(16,526)	(66,801)
Cash and cash equivalents at beginning of year	77,613	94,139	160,940
Cash and cash equivalents at end of year	$ 116,675	$ 77,613	$ 94,139

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
TECHNE Corporation and Subsidiaries

Years ended June 30, 2012, 2011 and 2010

A. Description of business and summary of significant accounting policies:

Description of business: TECHNE Corporation and subsidiaries (the Company) are engaged in the development, manufacture and sale of biotechnology products and hematology calibrators and controls. These activities are conducted domestically through its wholly-owned subsidiaries, Research and Diagnostic Systems, Inc. (R&D Systems), Boston Biochem, Inc. (Boston Biochem) and BiosPacific, Inc. (BiosPacific). The Company develops, manufactures and distributes biotechnology products in Europe through its wholly-owned U.K. subsidiaries, R&D Systems Europe Ltd. (R&D Europe) and Tocris Holdings Limited (Tocris). R&D Europe has a sales subsidiary, R&D Systems GmbH, in Germany and a sales office in France. The Company distributes biotechnology products in China through its wholly-owned subsidiary, R&D Systems China Co., Ltd. (R&D China). R&D China has a sales subsidiary, R&D Systems Hong Kong, Ltd., in Hong Kong.

Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates include the valuation of accounts receivable, available-for-sale investments, inventory, intangible assets, stock based compensation and income taxes. Actual results could differ from these estimates.

Risk and uncertainties: There are no concentrations of business transacted with a particular customer or supplier or concentrations of revenue from a particular product or geographic area that would severely impact the Company in the near term.

Principles of consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

Translation of foreign financial statements: Assets and liabilities of the Company's foreign operations are translated at year-end rates of exchange and the resulting gains and losses arising from the translation of net assets located outside the U.S. are recorded as a cumulative translation adjustment, a component of accumulated other comprehensive income (loss) on the consolidated balance sheets. Foreign statements of earnings are translated at the average rate of exchange for the year. Foreign currency transaction gains and losses are included in other non-operating expense in the consolidated statements of earnings.

Revenue recognition: The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable and collectability is reasonably assured. Payment terms for shipments to end-users are generally net 30 days. Payment terms for distributor shipments may range from 30 to 90 days. Products are shipped FOB shipping point. Freight charges billed to end-users are included in net sales and freight costs are included in cost of sales. Freight charges on shipments to distributors are paid directly by the distributor. Any claims for credit or return of goods must be made within 10 days of receipt. Revenues are reduced to reflect estimated credits and returns. Sales, use, value-added and other excise taxes are not included in revenue.

Research and development: Research and development expenditures are expensed as incurred. Development activities generally relate to creating new products, improving or creating variations of existing products, or modifying existing products to meet new applications.

Advertising costs: Advertising expenses (including production and communication costs) were $3.4 million, $2.9 million and $3.0 million for fiscal 2012, 2011 and 2010, respectively. The Company expenses advertising expenses as incurred.

Share-based compensation: The cost of employee services received in exchange for the award of equity instruments is based on the fair value of the award at the date of grant. Separate groups of employees that have similar historical exercise behavior with regard to option exercise timing and forfeiture rates are considered separately in determining option fair value. Compensation cost is recognized using a straight-line method over the vesting period and is net of estimated forfeitures. Stock option exercises are satisfied through the issuance of new shares.

Income taxes: The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized to record the income tax effect of temporary differences between the tax basis and financial reporting basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Tax positions taken or expected to be taken in a tax return are recognized in the financial statements when it is more likely than not that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense.

Financial instruments not measured at fair value: Certain of the Company's financial instruments are not measured at fair value but nevertheless are recorded at carrying amounts approximating fair value, based on their short-term nature. These financial instruments include cash and cash equivalents, accounts receivable, accounts payable and other current liabilities.

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

Available-for-sale investments: Available-for-sale investments consist of debt instruments with original maturities of generally three months to three years and equity securities. Available-for-sale investments are recorded based on trade-date. The Company considers all of its marketable securities available-for-sale and reports them at fair value. The Company utilizes valuation techniques for determining fair market value which maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Unrealized gains and losses on available-for-sale securities are excluded from income, but are included, net of taxes, in other comprehensive income. If an "other-than-temporary" impairment is determined to exist, the difference between the value of the investment security recorded in the financial statements and the Company's current estimate of the fair value is recognized as a charge to earnings in the period in which the impairment is determined.

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or market. The Company regularly reviews inventory on hand for slow-moving and obsolete inventory, inventory not meeting quality control standards and inventory subject to expiration. To meet strict customer quality standards, the Company has established a highly controlled manufacturing process for proteins and antibodies. New protein and antibody products require the initial manufacture of multiple batches to determine if quality standards can be consistently met. In addition, the Company will produce larger batches of established products than current sales requirements due to economies of scale. The manufacturing process for proteins and antibodies, therefore, has and will continue to produce quantities in excess of forecasted usage. The Company values its manufactured protein and antibody inventory based on a two-year usage forecast. Protein and antibody quantities in excess of the two-year usage forecast are not valued due to uncertainty over salability. Sales of previously unvalued protein and antibody inventory for fiscal years 2012, 2011 and 2010 were not material. Manufacturing costs for proteins and antibodies charged directly to cost of sales were $13.3 million, $13.7 million and $12.3 million for fiscal 2012, 2011 and 2010, respectively.

Depreciation and amortization: Equipment is depreciated using the straight-line method over an estimated useful life of five years. Buildings, building improvements and leasehold improvements are amortized over estimated useful lives of 5 to 40 years.

Goodwill: At June 30, 2012 and 2011, the Company had recorded goodwill of $85.7 million and $86.6 million, respectively. The Company tests goodwill at least annually for impairment. All of the goodwill recorded is within the Company's biotechnology segment. In September 2011, the FASB issued ASU No. 2011-08 *Intangibles – Goodwill and Other* under an amendment to Topic 350, which permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it would not be required to perform the two-step impairment test for that reporting unit. The Company adopted ASU No. 2011-08 for its fiscal year 2012 annual impairment test. The adoption did not have a material impact on the Company's consolidated financial statements. The Company completed its annual impairment testing of goodwill and concluded that no impairment existed as of June 30, 2012.

Intangible assets: Intangible assets are being amortized over their estimated useful lives. In July 2012, the FASB issued ASU No. 2012-02 *Intangibles – Goodwill and Other* under an amendment to Topic 350, which permits an entity to make a qualitative assessment of whether it is more likely than not that an indefinite-lived intangible assets is impaired as a basis for determining whether it is necessary to perform a quantitative impairment test. An entity will have an option not to calculate annually the fair value of an indefinite-lived intangible asset if the entity determines that it is not more likely than not that that the asset is impaired. The update is effective for the Company for annual and interim impairment tests for fiscal 2014. Early adoption is permitted. The Company adopted ASU No. 2012-02 in the fourth quarter of fiscal 2012. The adoption did not have a material impact on the Company's consolidated financial statements. As of June 30, 2012, the Company has determined that no impairment of its intangible assets exists.

Investments in unconsolidated entities: The Company has equity investments in several start-up and early development stage companies, among them Hemerus Medical, LLC (Hemerus), Nephromics, LLC (Nephromics) and ACTGen, Inc. (ACTGen). The accounting treatment of each investment (cost method or equity method) is dependent upon a number of factors, including, but not limited to, the Company's share in the equity of the investee and the Company's ability to exercise significant influence over the operating and financial policies of the investee.

Recent accounting pronouncements: In June 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-05 *Comprehensive Income* under an amendment to Topic 220. Under this update, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. ASU No. 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The update does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The Company must comply with ASU No. 2011-05 for the quarter ended September 30, 2012. The Company adopted ASU No. 2011-05 in the fourth quarter of fiscal 2012. The adoption did not have a material impact on the Company's consolidated financial statements.

B. Acquisitions:

Boston Biochem, Inc.: On April 1, 2011, the Company's R&D Systems subsidiary acquired for cash the assets of Boston Biochem, Inc., a developer and manufacturer of innovative ubiquitin-related research products based in Cambridge, Massachusetts. These products provide biomedical researchers tools that facilitate and accelerate basic research and drug discovery efforts. R&D Europe simultaneously acquired for cash the assets of Boston Biochem Limited, a United Kingdom based company that served as the European distributor of Boston Biochem, Inc. products.

In connection with the Boston Biochem acquisition, the Company recorded $1.9 million of developed technology intangible assets that have an estimated useful life of 12 years, $1.7 million of trade name intangible assets that have an estimated useful life of 12 years, $400,000 related to a non-compete agreement that has an estimated useful life of 5 years, and $300,000 related to customer relationships that have an estimated useful life of 12 years. The intangible asset amortization is deductible for income tax purposes.

The goodwill recorded as a result of the Boston Biochem acquisition represents the strategic benefits of enhancing and supplementing the depth and breadth of the Company's biotechnology product offering and augmenting its ability to serve research scientists, as well as leveraging its marketing, sales and distribution capabilities with this important product class. The goodwill is deductible for income tax purposes.

Transaction costs of approximately $148,000 were expensed as incurred and were included in the Company's selling, general and administrative costs during the fiscal year ended June 30, 2011.

Tocris Holdings Limited: On April 28, 2011, the Company's subsidiaries, R&D Systems and R&D Europe, acquired for cash all of the outstanding shares of Tocris Holdings Limited and subsidiaries (Tocris). Tocris is a leading supplier of biologically active neuro- and bio-chemical reagents for non-clinical life science research. Its products are used in both in-vitro and in-vivo experiments to understand biological processes and diseases as part of the initial drug discovery process. Tocris is based in Bristol, United Kingdom.

In connection with the acquisition of Tocris, the Company recorded $25.3 million of developed technology intangible assets that have an estimated useful life of 15 years, $16.5 million of trade name intangible assets that have an estimated useful life of 10 years, and $6.6 million related to customer relationships that have an estimated useful life of 13 years. The intangible asset amortization is not deductible for income tax purposes.

The goodwill recorded as a result of the Tocris acquisition represents the strategic benefits of growing the Company's product portfolio and the expected revenue growth from increased market penetration from future products and customers. The goodwill is not deductible for income tax purposes.

Transaction costs of approximately $1.6 million were expensed as incurred and were included in the Company's selling, general and administrative costs during the fiscal year ended June 30, 2011.

C. Available-for-sale investments:

At June 30, 2012 and 2011, the amortized cost and market value of the Company's available-for-sale securities by major security type were as follows (in thousands):

	June 30,			
	2012		2011	
	Cost	Market	Cost	Market
State and municipal debt securities	$161,761	$162,740	$166,005	$166,846
Corporate debt securities	22,693	22,802	16,100	16,246
Foreign corporate debt securities	16,041	16,071	7,474	7,489
U.S. government securities	0	0	1,502	1,517
Foreign government securities	0	0	3,090	3,090
Equity securities	29,472	94,664	0	0
	$229,967	$296,277	$194,171	$195,188

At June 30, 2012 and 2011, all of the Company's available-for-sale investments were valued using Level 1 inputs. Gross unrealized gains and unrealized losses on available-for-sale investments were $66.3 million and $33,000, respectively, at June 30, 2012. Gross unrealized gains and unrealized losses on available-for-sale investments were $1.1 million and $58,000, respectively, at June 30, 2011.

The Company's investment in equity securities consists of investments in the common stock and warrants of ChemoCentryx, Inc. (CCXI). At June 30, 2011, the Company had a $14.3 million investment in the preferred stock of CCXI and accounted for the investment on a cost basis. The investment was included in "Investments in unconsolidated entities" at June 30, 2011. In September 2011, the Company entered into a $10.0 million loan agreement with CCXI. The loan was carried at fair value (Level 3 input) while outstanding. The loan agreement contained a number of conversion features contingent upon CCXI obtaining future debt or equity financing. The agreement also included a $5.0 million commitment by the Company to participate in a private placement in the event of a successful public offering of CCXI shares. On February 8, 2012, CCXI completed its initial public offering (IPO) at $10 per share. Upon the close of the IPO, the Company's investment in CCXI's preferred shares and the loan, plus accrued interest, converted into CCXI common stock. The Company invested an additional $5.0 million in the private placement, as discussed above, and received ten year warrants to purchase 150,000 shares of CCXI common stock at $20 per share. At June 30, 2012, the Company holds an approximate 18.0% interest in CCXI.

Activity related to available-for-sale investments with Level 3 inputs were as follows (in thousands):

	Year Ended June 30, 2012
Beginning balance	$ 0
Issuance of note receivable	10,000
Conversion of note receivable to CCXI common stock	(10,000)
Ending balance	$ 0

Unrealized gains and losses on the Company's available-for-sale debt securities are caused by interest rate changes. The Company has the ability and intent to hold its available-for-sale investments that are in an unrealized loss position until a recovery of fair value. The Company does not consider these investments to be other-than-temporarily impaired at June 30, 2012.

At June 30, 2012, the Company's investments in an unrealized loss position that have been determined to be temporarily impaired were as follows (in thousands):

Period of Unrealized Loss:	*Fair Value*	*Unrealized Losses*
Less than one year	$15,407	$ 27
Greater than one year	1,542	6
	$16,949	$ 33

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

Year Ending June 30, 2012:	
Due within one year	$ 57,647
Due one to five years	143,966
	$201,613

Proceeds from maturities or sales of available-for-sale securities were $131.7 million, $173.5 million and $66.6 million during fiscal 2012, 2011 and 2010, respectively. There were no material realized gains or losses on these sales. Realized gains and losses are determined on the specific identification method.

D. Inventories:

Inventories consist of (in thousands):

	June 30, 2012	2011
Raw materials	$ 5,678	$ 5,644
Finished goods	32,599	39,262
	$38,277	$44,906

At June 30, 2012 and 2011, the Company had $23.3 million and $21.8 million, respectively, of excess protein and antibody inventory on hand which was not valued.

E. Property and equipment:

Property and equipment consist of (in thousands):

	June 30, 2012	2011
Cost:		
Land	$ 7,473	$ 7,497
Buildings and improvements	123,257	119,833
Laboratory equipment	31,658	30,315
Office and computer equipment	5,710	5,407
	168,098	163,052
Accumulated depreciation and amortization	(74,310)	(67,654)
	$ 93,788	$ 95,398

F. Goodwill and intangible assets:

Changes to the carrying amount of goodwill consists of (in thousands)

	Year Ended June 30, 2012	2011
Beginning balance	$86,633	$25,068
Acquisitions	0	62,865
Currency translation	(951)	(1,300)
Ending balance	$85,682	$86,633

Intangible assets consist of (in thousands):

	Useful Life	June 30, 2012	2011
Developed technology	8-12 years	$29,410	$29,943
Trade names	12-15 years	17,871	18,021
Customer relationships	8-14 years	8,712	8,781
Non-compete agreement	5 years	400	400
		56,393	57,145
Accumulated amortization		(9,917)	(4,863)
		$46,476	$52,282

Changes to the carrying amount of net intangible assets consists of (in thousands)

	Year Ended June 30, 2012	2011
Beginning balance	$52,282	$ 2,044
Acquisitions	0	52,725
Amortization expense	(5,094)	(1,464)
Currency translation	(712)	(1,023)
Ending balance	$46,476	$52,282

Amortization expense related to technologies included in cost of sales was $3.0 million, $890,000 and $435,000 in fiscal 2012, 2011 and 2010, respectively. Amortization expense related to trade names, customer relationships, and the non-compete agreement included in selling, general and administrative expense was $2.1 million, $574,000 and $525,000 in fiscal 2012, 2011 and 2010, respectively.

The estimated future amortization expense for intangible assets as of June 30, 2012 is as follows (in thousands):

Year Ending June 30:	
2013	$ 5,067
2014	4,386
2015	4,385
2016	4,366
2017	4,306
Thereafter	23,966
	$46,476

G. Investments in unconsolidated entities:

The Company has a 16.8% ownership interest in Nephromics at June 30, 2012. Nephromics has licensed technology related to the diagnosis of preeclampsia and has sublicensed the technology to several major diagnostic companies for the development of diagnostic assays. The Company accounts for its investment in Nephromics under the equity method of accounting as Nephromics is a limited liability company. During fiscal 2012, Nephromics signed an agreement to sell substantially all of its assets. The sale price included a payment at closing, future payment contingent upon the issuance of certain patents, and royalties on future sublicense income. As a result of the agreement, the Company determined that a portion of its investment in Nephromics was other than temporarily impaired and wrote off $2.4 million of this investment. Subsequent to the sale, the Company received a distribution of $421,000 as its share of the payment received at closing. The Company's net investment in Nephromics was $505,000 and $3.7 million at June 30, 2012 and 2011, respectively.

The Company has a 6.9% ownership percentage in Hemerus at June 30, 2012. Hemerus was formed in March 2001 and has acquired and is developing technology for the separation of leukocytes from blood and blood components. The Company accounts for its investment in Hemerus under the equity method of accounting as Hemerus is a limited liability company. During fiscal 2012, Hemerus entered into an agreement to sell substantially all of its assets. The Company has determined that it is more-likely-than-not that it will recover its remaining investment in Hemerus. The Company's net investment in Hemerus was $551,000 and $773,000 at June 30, 2012 and 2011, respectively.

The Company holds a 13.6% ownership percentage in ACTGen, a development stage biotechnology company located in Japan, as of June 30, 2012. ACTGen has intellectual property related to the identification and expression of molecules. During fiscal 2012, the Company determined that, based on ACTGen financial results for calendar 2011 and its operational and funding status, the Company's investment in ACTGen was other-than-temporarily impaired and wrote off its remaining investment of $854,000. The Company's net investment in ACTGen was $925,000 at June 30, 2011.

The Company does not currently provide loans, guarantees or other financial assistance to Nephromics, Hemerus, or ACTGen and has no obligation to provide additional funding.

H. Debt:

The Company's short-term line of credit facility consists of an unsecured line of credit of $750,000 at June 30, 2012. The line of credit expires on October 31, 2012. The interest rate charged on the line of credit is a floating rate at the one-month London interbank offered rate (Libor) plus 1.75%. There were no borrowings on the line outstanding as of June 30, 2012 and 2011.

I. Commitments and contingencies:

The Company leases office and warehouse space, vehicles and various office equipment under operating leases. At June 30, 2012, aggregate net minimum rental commitments under non-cancelable leases having an initial or remaining term of more than one year are payable as follows (in thousands):

Year Ending June 30:	
2013	$ 769
2014	389
2015	198
2016	161
2017	123
Thereafter	396
	$2,036

Total rent expense was approximately $793,000, $416,000 and $326,000 for the years ended June 30, 2012, 2011 and 2010, respectively.

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

J. Share-based compensation and other benefit plans:

Equity incentive plan: The Company's 2010 Equity Incentive Plan (the 2010 Plan) provides for the granting of incentive and nonqualified stock options, restricted stock, restricted stock units, performance shares, performance units and stock appreciation rights. There are 3.0 million shares of common stock authorized for grant under the 2010 Plan. At June 30, 2012, there were 2.7 million shares of common stock available for grant under the 2010 Plan. The maximum term of incentive options granted under the 2010 Plan is ten years. The 2010 Plan replaced the Company's 1998 Nonqualified Stock Option Plan (the 1998 Plan) and 1997 Incentive Stock Option Plan (the 1997 Plan). The 2010 Plan, the 1998 Plan and the 1997 Plan (collectively, the Plans) are administered by the Board of Directors and its Compensation Committee, which determine the persons who are to receive awards under the Plans, the number of shares subject to each award and the term and exercise price of each award. The number of shares of common stock subject to outstanding awards at June 30, 2012 under the 2010 Plan, the 1998 Plan and the 1997 Plan were 276,000, 245,000, and 54,000, respectively.

Stock option activity, under the Plans for the three years ended June 30, 2012, consists of the following (shares in thousands):

	Shares	Weighted Average Exercise Price	Weighted Avg. Contractual Life (Yrs.)	Aggregate Intrinsic Value
Outstanding at June 30, 2009	398	$49.49		
Granted	115	64.71		
Exercised	(73)	44.67		
Outstanding at June 30, 2010	440	56.26		
Granted	188	71.71		
Exercised	(129)	41.48		
Outstanding at June 30, 2011	499	64.15		
Granted	95	71.94		
Forfeited	(2)	76.15		
Exercised	(17)	50.98		
Outstanding at June 30, 2012	575	$65.78	5.8	$5.1 million
Exercisable at June 30:				
2010	367	$51.96		
2011	309	58.80		
2012	403	62.67	5.7	$4.7 million

The fair values of options granted under the Plans were estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used:

	Year Ended June 30,		
	2012	2011	2010
Dividend yield	1.5%	1.5%	1.6%
Expected volatility	22%-23%	22%-27%	22%-30%
Risk-free interest rates	0.9%-2.0%	1.3%-2.3%	1.7%-3.1%
Expected lives	6 years	5 years	6 years

The dividend yield is based on the Company's historical annual cash dividend divided by the market value of the Company's common stock. The expected annualized volatility is based on the Company's historical stock price over a period equivalent to the expected life of the option granted. The risk-free interest rate is based on U.S. Treasury constant maturity interest rates with a term consistent with the expected life of the options granted.

The weighted average fair value of options granted during fiscal 2012, 2011 and 2010 was $14.14, $14.58 and $14.76, respectively. The total intrinsic value of options exercised during fiscal 2012, 2011 and 2010 were $338,000, $3.1 million and $1.6 million, respectively. The total fair value of options vested during fiscal 2012, 2011 and 2010 were $1.6 million, $1.0 million and $1.1 million, respectively.

Stock-based compensation cost of $1.6 million, $1.1 million and $1.1 million was included in selling, general and administrative expense in fiscal 2012, 2011 and 2010, respectively. As of June 30, 2012, there was $2.1 million of total unrecognized compensation cost related to non-vested stock options which will be expensed in fiscal 2013 through 2015. The weighted average period over which the compensation cost is expected to be recognized is 1.2 years.

Profit sharing plans: The Company has profit sharing and savings plans for its U.S. employees, which conform to IRS provisions for 401(k) plans. The Company may make profit sharing contributions at the discretion of the Board of Directors. Operations have been charged for contributions to the plans of $754,000, $718,000 and $341,000 for the years ended June 30, 2012, 2011 and 2010, respectively. The Company operates defined contribution pension plans for employees of R&D Europe and Tocris. Operations have been charged for contributions to the plans of $499,000, $240,000 and $162,000 for the years ended June 30, 2012, 2011 and 2010, respectively.

Stock bonus plans: The Company may make contributions to its stock bonus plans in the form of common stock, cash or other property at the discretion of the Board of Directors. The Company purchases its common stock at market value for contribution to the plans. For the years ended June 30, 2012, 2011 and 2010 operations have been charged for contributions to the plan of $715,000, $690,000 and $419,000, respectively.

Performance incentive program: Under certain employment agreements with executive officers, the Company recorded bonuses of $31,000, $39,000 and $44,000 for the years ended June 30, 2012, 2011 and 2010, respectively. In addition, options for 22,932, 3,364 and 40,697 shares of common stock were granted to the executive officers during fiscal 2012, 2011 and 2010, respectively.

K. Income taxes:

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

	Year Ended June 30,		
	2012	*2011*	*2010*
Earnings before income taxes consist of:			
Domestic	$130,009	$131,080	$124,860
Foreign	32,186	33,901	31,586
	$162,195	$164,981	$156,446
Taxes on income consist of:			
Currently payable:			
Federal	$ 42,288	$ 36,600	$ 37,098
State	3,065	2,302	1,856
Foreign	8,891	9,854	9,266
Net deferred:			
Federal	(4,318)	3,893	(1,494)
State	(149)	19	39
Foreign	87	11	(95)
	$ 49,864	$ 52,679	$ 46,670

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

	Year Ended June 30,		
	2012	*2011*	*2010*
Computed expected federal income tax expense	$56,768	$57,743	$54,756
State income taxes, net of federal benefit	2,038	1,463	1,247
Qualified production activity deduction	(3,917)	(3,889)	(2,459)
Research and development tax credit	(465)	(1,329)	(444)
Tax-exempt interest	(565)	(858)	(1,114)
Change in deferred tax valuation allowance	(3,016)	60	44
Foreign exchange loss on repatriation	0	0	(4,424)
Other	(979)	(511)	(936)
	$49,864	$52,679	$46,670

Temporary differences comprising deferred taxes on the Consolidated Balance Sheets are as follows (in thousands):

	June 30	
	2012	2011
Inventory	$ 6,893	$ 4,269
Unrealized profit on intercompany sales	1,686	1,075
Excess tax basis in equity investments	4,776	3,643
Deferred compensation	2,651	2,198
Other	891	596
Valuation allowance	0	(3,016)
Net deferred tax assets	16,897	8,765
Net unrealized gain on available-for-sale investments	(23,791)	(369)
Goodwill and intangible asset amortization	(15,123)	(15,077)
Depreciation	(847)	(485)
Other	(502)	(397)
Deferred tax liabilities	(40,263)	(16,328)
Net deferred tax liabilities	$(23,366)	$ (7,563)

A deferred tax valuation allowance is required when it is more likely than not that all or a portion of deferred tax assets will not be realized. At June 30, 2011, the Company had provided a valuation allowance for potential capital loss carryovers resulting from excess tax basis in certain of its equity investments. The Company has determined that the valuation allowance is no longer necessary as a result of the Company's unrealized gain on its CCXI investment at June 30, 2012. The Company has the intent and ability to sell a portion of its CCXI investment and realize a long-term capital gain to offset losses on its investments in unconsolidated entities. The Company believes that it is more likely than not that the recorded deferred tax assets will be realized.

During fiscal 2010, the Company's R&D Europe subsidiary declared and paid a dividend of £50 million ($74.4 million) to the Company. The £50 million R&D Europe earnings had previously been taxed in the U.S. and therefore, no additional U.S. income tax resulted from the repatriation. The Company recorded a foreign currency exchange tax loss on the transaction of approximately $12.8 million and as a result, reported a $4.7 million reduction in income tax expense in fiscal 2010.

Undistributed earnings of the Company's foreign subsidiaries amounted to approximately $144 million as of June 30, 2012. Deferred taxes have not been provided on such undistributed earnings, as the Company has either paid U.S. taxes on the undistributed earnings or intends to indefinitely reinvest the undistributed earnings in the foreign operations.

A summary of changes in unrecognized tax benefits is as follows (in thousands):

	June 30	
	2012	2011
Beginning balance	$34	$ 96
Change due to tax positions related to the current year	(4)	(53)
Decrease due to lapse of statute of limitations	(7)	(9)
Ending balance	$23	$ 34

The gross unrecognized tax benefit balance as of June 30, 2012, 2011 and 2010 includes $2,000, $3,000 and $5,000 of unrecognized tax benefits that, if recognized, would affect the effective tax rate. Accrued interest and penalties were not material at June 30, 2012 and 2011.

The Company does not believe it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease in the next twelve months. The Company files income tax returns in the U.S federal tax jurisdiction, the states of Minnesota, Massachusetts, California and Missouri, and several jurisdictions outside the U.S. U.S. tax returns for 2009 and subsequent years remain open to examination by the tax authorities. The Company's major non-U.S. tax jurisdictions are the United Kingdom, France and Germany, which have tax years open to examination for 2009 and subsequent years, and China, which has calendar year 2012 open to examination.

L. Earnings per share:

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

	Year Ended June 30,		
	2012	*2011*	*2010*
Net earnings used for basic and diluted earnings per share	$112,331	$112,302	$109,776
Weighted average shares used in basic computation	36,939	37,098	37,255
Dilutive stock options	67	74	92
Weighted average shares used in diluted computation	37,006	37,172	37,347
Basic EPS	$ 3.04	$ 3.03	$ 2.95
Diluted EPS	$ 3.04	$ 3.02	$ 2.94

The dilutive effect of stock options in the above table excludes all options for which the aggregate exercise proceeds exceeded the average market price for the period. The number of potentially dilutive option shares excluded from the calculation was 94,000, 77,000 and 70,000 at June 30, 2012, 2011 and 2010, respectively.

M. Segment information:

The Company has two reportable segments based on the nature of its products. R&D Systems' Biotechnology Division, R&D Europe, Tocris, R&D China, BiosPacific and Boston Biochem operating segments are included in the biotechnology reporting segment. The Company's biotechnology reporting segment develops, manufactures and sells biotechnology research and diagnostic products world-wide. The Company's hematology reporting segment, which consists of R&D Systems' Hematology Division, develops and manufactures hematology controls and calibrators for sale world-wide. No customer of either segment accounted for more than 10% of the Company's consolidated net sales for the years ended June 30, 2012, 2011 and 2010.

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

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

	Year Ended June 30,		
	2012	2011	2010
External sales			
Biotechnology	$293,274	$270,287	$250,653
Hematology	21,286	19,675	18,394
Consolidated net sales	$314,560	$289,962	$269,047
Earnings before taxes			
Biotechnology	$162,763	$164,332	$155,989
Hematology	8,002	7,222	6,869
Segment earnings before taxes	170,765	171,554	162,858
Other	(8,570)	(6,573)	(6,412)
Consolidated earnings before taxes	$162,195	$164,981	$156,446
Goodwill			
Biotechnology	$ 85,682	$ 86,633	$ 25,068
Hematology	0	0	0
Consolidated goodwill	$ 85,682	$ 86,633	$ 25,068
Intangible assets, net			
Biotechnology	$ 46,476	$ 52,282	$ 2,044
Hematology	0	0	0
Consolidated intangible assets, net	$ 46,476	$ 52,282	$ 2,044
Assets			
Biotechnology	$529,392	$505,087	$400,112
Hematology	22,135	21,046	18,543
Segment assets	551,527	526,133	418,655
Other	167,797	91,537	100,161
Consolidated assets	$719,324	$617,670	$518,816
Depreciation and amortization			
Biotechnology	$ 10,920	$ 7,165	$ 5,411
Hematology	411	417	340
Segment depreciation and amortization	11,331	7,582	5,751
Other	1,136	1,118	2,379
Consolidated depreciation and amortization	$ 12,467	$ 8,700	$ 8,130
Capital purchases			
Biotechnology	$ 4,021	$ 2,707	$ 3,885
Hematology	597	149	208
Segment capital purchases	4,618	2,856	4,093
Other	1,399	774	551
Consolidated capital purchases	$ 6,017	$ 3,630	$ 4,644

The other reconciling items include the results of unallocated corporate expenses and assets, and the Company’s share of losses from its equity method investees.

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

	Year Ended June 30,		
	2012	2011	2010
External sales			
United States	$172,310	$159,857	$148,137
Europe	90,142	83,676	78,496
China	11,378	8,299	6,792
Other Asia	25,988	24,715	22,372
Rest of world	14,742	13,415	13,250
Total external sales	$314,560	$289,962	$269,047
Long-lived assets			
United States	$ 87,968	$ 88,802	$ 91,554
Europe	7,528	7,819	6,299
China	141	96	70
Total long-lived assets	$ 95,637	$ 96,717	$ 97,923

External sales are attributed to countries based on the location of the customer/distributor. Long-lived assets are comprised of land, buildings and improvements and equipment, net of accumulated depreciation and other assets.

N. Supplemental disclosures of cash flow information and noncash investing and financing activities:

In fiscal 2012, 2011 and 2010, the Company paid cash for income taxes of $58.7 million, $46.2 million and $49.7 million, respectively.

In fiscal 2011, stock options for 14,834 shares of common stock were exercised by the surrender of 9,096 shares of common stock at fair market value of $561,000.

During fiscal 2012, the Company's cost basis investment in CCXI was converted to an available-for-sale investment carried at fair value.

O. Accumulated other comprehensive income:

Accumulated other comprehensive (loss) income consists of (in thousands):

	June 30,		
	2012	2011	2010
Foreign currency translation adjustments	$(20,743)	$(16,939)	$(21,967)
Net unrealized gain on available-for-sale investments, net of tax	42,518	648	733
	$ 21,775	$(16,291)	$(21,234)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
TECHNE Corporation:

We have audited the accompanying consolidated balance sheets of TECHNE Corporation and subsidiaries (the Company) as of June 30, 2012 and 2011, and the related consolidated statements of earnings and comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2012. We also have audited TECHNE Corporation's internal control over financial reporting as of June 30, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). TECHNE Corporation's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TECHNE Corporation and subsidiaries as of June 30, 2012 and 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended June 30, 2012, in conformity with U.S. generally accepted accounting principles. Also in our opinion, TECHNE Corporation maintained, in all material respects, effective internal control over financial reporting as of June 30, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

KPMG LLP
Minneapolis, Minnesota
August 29, 2012

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure 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.

Changes in Internal Controls

There was no change in the Company's internal control over financial reporting during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). As of June 30, 2012, management, under the supervision of the chief executive officer and chief financial officer, assessed the effectiveness of the Company's internal control over financial reporting based on the criteria for effective internal control over financial reporting established in "Internal Control — Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the assessment, management determined that the Company maintained effective internal control over financial reporting as of June 30, 2012.

KPMG LLP, our independent registered public accounting firm, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Other than "Executive Officers of the Registrant" which is set forth at the end of Item 1 in Part I of this report, the information required by Item 10 is incorporated herein by reference to the sections entitled "Election of Directors," "Corporate Governance" and "Compliance With Section 16(a) of the Exchange Act" in the Company's Proxy Statement for its 2012 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

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ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated herein by reference to the section entitled "Corporate Governance" and "Executive Compensation Discussion and Analysis" in the Company's Proxy Statement for its 2012 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

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

Information about the Company's equity compensation plans at June 30, 2012 is as follows:

Plan Category	*Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights*	*Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights*	*Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans*
Equity compensation plans approved by Shareholders (1)	575,000	$ 65.78	2.7 million
Equity compensation plans not approved by Shareholders	0	0	0

(1) Includes the Company's 2010 Equity Incentive Plan, 1997 Incentive Stock Option Plan and 1998 Nonqualified Stock Option Plan.

The remaining information required by Item 12 is incorporated by reference to the sections entitled "Principal Shareholders" and "Management Shareholdings" in the Company's Proxy Statement for its 2012 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference to the sections entitled "Corporate Governance" in the Company's Proxy Statement for its 2012 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is incorporated herein by reference to the section entitled "Audit Matters" in the Company's Proxy Statement for its 2012 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

A. (1) List of Financial Statements.

The following Consolidated Financial Statements are filed as part of this Annual Report on Form 10-K:

Consolidated Statements of Earnings and Comprehensive Income for the Years Ended June 30, 2012, 2011 and 2010

Consolidated Balance Sheets as of June 30, 2012 and 2011

Consolidated Statements of Shareholders' Equity for the Years Ended June 30, 2012, 2011 and 2010

Consolidated Statements of Cash Flows for the Years Ended June 30, 2012, 2011 and 2010

Notes to Consolidated Financial Statements for the Years Ended June 30, 2012, 2011 and 2010

Report of Independent Registered Public Accounting Firm

A. (2) Financial Statement Schedules.

All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the Consolidated Financial Statements or Notes thereto.

A. (3) Exhibits.

See "Exhibit Index" immediately following signature page.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TECHNE CORPORATION

Date: August 29, 2012

/s/ Thomas E. Oland
By: Thomas E. Oland
Its: President

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

Date	Signature and Title
August 29, 2012	/s/ Thomas E. Oland Thomas E. Oland Chairman of the Board, President, Chief Executive Officer and Director (principal executive officer)
August 29, 2012	/s/ Roger C. Lucas, Ph.D. Dr. Roger C. Lucas Vice Chairman and Director
August 29, 2012	/s/ Howard V. O'Connell Howard V. O'Connell, Director
August 29, 2012	/s/ Randolph C. Steer, Ph.D., M.D. Dr. Randolph C. Steer, Director
August 29, 2012	/s/ Robert V. Baumgartner Robert V. Baumgartner, Director
August 29, 2012	/s/ Charles A. Dinarello, M.D. Dr. Charles A. Dinarello, Director
August 29, 2012	/s/ Karen A. Holbrook, Ph.D. Dr. Karen A. Holbrook, Director
August 29, 2012	/s/ John L. Higgins John L. Higgins, Director
August 29, 2012	/s/ Roeland Nusse, Ph.D. Dr. Roeland Nusse, Director
August 29, 2012	/s/ Gregory J. Melsen Gregory J. Melsen, Chief Financial Officer (principal financial officer)
August 29, 2012	/s/ Kathleen M. Backes Kathleen M. Backes, Controller

EXHIBIT INDEX
for Form 10-K for the 2012 Fiscal Year

Exhibit Number	Description
3.1	Restated Articles of Incorporation of Company, as amended to date—incorporated by reference to Exhibit 3.1 of the Company's Form 10-Q for the quarter ended September 30, 2000.*
3.2	Restated Bylaws of the Company, as amended to date—incorporated by reference to Exhibit 3.1 of the Company's Form 8-K, dated November 14, 2007.*
10.1**	Agreement with Respect to Inventions, Proprietary Information, and Unfair Competition with Thomas E. Oland—incorporated by reference to Exhibit 10.2 of the Company's Form 10, dated October 27, 1988.*
10.2**	Company's Profit Sharing Plan—incorporated by reference to Exhibit 10.6 of the Company's Form 10, dated October 27, 1988.*
10.3**	Company's Stock Bonus Plan—incorporated by reference to Exhibit 10.7 of the Company's Form 10, dated October 27, 1988.*
10.4**	1997 Incentive Stock Option Plan—incorporated by reference to Exhibit 10.24 of the Company's Form 10-K for the year ended June 30, 1997.*
10.5**	Form of Stock Option Agreement for 1997 Incentive Stock Option Plan—incorporated by reference to Exhibit 10.25 of the Company's Form 10-K for the year ended June 30, 1997.*
10.6	Investment Agreement between ChemoCentryx, Inc. and Techne Corporation dated November 18, 1997—incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended December 31, 1997.*
10.7**	1998 Nonqualified Stock Option Plan—incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended September 30, 1998.*
10.8**	Form of Stock Option Agreement for 1998 Nonqualified Stock Option Plan—incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q for the quarter ended September 30, 1998.*
10.9	Investors Rights Agreement dated February 2, 2001 among ChemoCentryx, Inc., the Company and certain investors amending the Investment Agreement between ChemoCentryx, Inc. and the Company dated November 18, 1997—incorporated by reference to Exhibit 10.32 of the Company's 10-K for the year ended June 30, 2001.*
10.10	Letter Agreement dated February 2, 2001 between ChemoCentryx, Inc. and the Company amending the terms of warrants held by the Company—incorporated by reference to Exhibit 10.33 of the Company's 10-K for the year ended June 30, 2001.*
10.11**	Form of Indemnification Agreement entered into with each director and executive officer of the Company—incorporated by reference to Exhibit 10.1 of the Company's 10-Q for the quarter ended December 31, 2002.*

Exhibit Number	Description
10.12	Amended and Restated Investors Rights Agreement dated June 13, 2006 among ChemoCentryx, Inc and the Company and certain investors—incorporated by reference to Exhibit 10.31 of the Company's 10-K for the year ended June 30, 2006.*
10.13**	Amended and Restated Employment Agreement, dated April 30, 2010, with Gregory J. Melsen—incorporated by reference to Exhibit 10.14 of the Company's 10-K for the year ended June 30, 2010.*
10.14**	Description of Amended Executive Officer's Incentive Bonus Plan—incorporated by reference to Exhibit 10.14 of the Company's 10-K for the year ended June 30, 2010.*
10.15**	2010 Equity Incentive Plan—incorporated by reference to Exhibit 10.1 of the Company's 8-K dated October 28, 2010.*
10.16**	Form of Nonqualified Stock Option Agreement for the 2010 Equity Incentive Plan—incorporated by reference to Exhibit 10.2 of the Company's 8-K dated October 28, 2010.*
10.17**	Form of Incentive Stock Option Agreement for the 2010 Equity Incentive Plan—incorporated by reference to Exhibit 10.3 of the Company's 8-K dated October 28, 2010.*
10.18	Share Purchase Agreement by and among Research and Diagnostic Systems, Inc., R&D Systems Europe Ltd., and the shareholders of Tocris Holdings Ltd., dated April 28, 2011—incorporated by reference to Exhibit 2.1 of the Company's 8-K dated April 28, 2011.*
10.19**	Amended and Restated Employment Agreement, dated July 1, 2011, with Marcel Veronneau—incorporated by reference to Exhibit 10.19 of the Company's 10-K for the year ended June 30, 2011.*
10.20	Deed of Assignment and Novation dated January 23, 2012 in connection with a share purchase agreement relating to Tocris Holdings Limited—incorporated by reference to Exhibit 10.1 of the Company's 10-Q for the quarter ended December 31, 2011.*
21	Subsidiaries of the Company:

Name	State/Country of Incorporation
Research and Diagnostic Systems, Inc. (R&D Systems)	Minnesota
BiosPacific, Inc.	Minnesota
Boston Biochem, Inc.	Minnesota
Tocris Cookson, Inc. (inactive)	Delaware
Tocris Holdings Limited(inactive)	United Kingdom
Tocris Investments Limited (inactive)	United Kingdom
Tocris Cookson Limited	United Kingdom
R&D Systems Europe Ltd.	United Kingdom
R&D Systems GmbH	Germany
R&D Systems China Co., Ltd.	China
R&D Systems Hong Kong Ltd.	Hong Kong

Exhibit Number	Description
23	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Consolidated Financial Statements of Tocris Holdings Limited—incorporated by reference to Exhibit 99.1 of the Company's Amended 8-K/A dated April 28, 2011.*
99.2	Pro forma financial information related to Techne's acquisition of Tocris Holdings Limited—incorporated by reference to Exhibit 99.2 of the Company's Amended 8-K/A dated April 28, 2011.*
101***	The following financial statements from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2012, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Earnings and Comprehensive Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Shareholders' Equity, (iv) the Consolidated Statements of Cash Flows, and (v) Notes to the Consolidated Financial Statements.

* Incorporated by reference; SEC File No. 000-17272

** Management contract or compensatory plan or arrangement

*** Pursuant to Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Annual Report on Form 10-K shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed part of a registration statement, prospectus or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filings.

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
TECHNE Corporation:

We consent to the incorporation by reference in the registration statement (No. 333-37263, 333-88885, 333-49962 and 333-170576) on Form S-8 of TECHNE Corporation of our report dated August 29, 2012, with respect to the consolidated balance sheets of TECHNE Corporation and subsidiaries as of June 30, 2012 and 2010, and the related consolidated statements of earnings and comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2012, and the effectiveness of internal controls over financial reporting as of June 30, 2012, which report appears in the June 30, 2012 annual report on Form 10-K of TECHNE Corporation.

/s/ KPMG LLP

Minneapolis, Minnesota
August 29, 2012

EXHIBIT 31.1

CERTIFICATION

I, Thomas E. Oland, certify that:

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

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) 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

   d) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: August 29, 2012

/s/ Thomas E. Oland

Thomas E. Oland
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Gregory J. Melsen, certify that:

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

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) 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

   d) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: August 29, 2012

/s/ Gregory J. Melsen

Gregory J. Melsen
Chief Financial Officer

EXHIBIT 32.1

TECHNE CORPORATION

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

In connection with the Annual Report of Techne Corporation (the "Company") on Form 10-K for the year ended June 30, 2012 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
Thomas E. Oland
Chief Executive Officer
August 29, 2012

EXHIBIT 32.2

TECHNE CORPORATION

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

In connection with the Annual Report of Techne Corporation (the "Company") on Form 10-K for the year ended June 30, 2012 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
Gregory J. Melsen
Chief Financial Officer
August 29, 2012