SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

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

For the fiscal year ended June 30, 2002

OR

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

For the transition period from _____to _____

Commission File Number: 0-17272

TECHNE CORPORATION
(Exact name of Registrant as specified in its charter)

Minnesota	41-1427402
(State of Incorporation)	(IRS Employer Identification No.)

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

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

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

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

Indicate by check mark whether the Company (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes X_ 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. ( )

The aggregate market value of the Common Stock held by non-affiliates of the Registrant, based upon the closing sale price on September 13, 2002 as reported on The Nasdaq Stock Market was approximately $1,205,801,000. Shares of Common Stock held by each officer and director and by each person who owns 5% or more of the outstanding Common Stock have been excluded.

Shares of $.01 par value Common Stock outstanding at September 13, 2002: 41,326,936

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for its 2002 Annual Meeting of Shareholders are incorporated by reference into Part III.

PART I

ITEM 1. BUSINESS

OVERVIEW

Techne Corporation (the Company) is a holding company which has two wholly-owned operating subsidiaries: Research and Diagnostic Systems, Inc. (R&D Systems) located in Minneapolis, Minnesota and R&D Systems Europe Ltd. (R&D Europe) located in Abingdon, England. R&D Systems is a specialty

manufacturer of biological products. Its two major operating segments are hematology controls, which are used in hospital and clinical laboratories to check the accuracy of blood analysis instruments, and biotechnology products, including purified proteins (cytokines) and antibodies which are sold exclusively to the research market and assay kits which are sold to the research and clinical diagnostic markets. R&D Europe distributes R&D Systems' biotechnology products in Europe. R&D Europe has a German sales subsidiary, R&D Systems GmbH (R&D GmbH). The Company also had a foreign sales corporation, Techne Export Inc., which was dissolved in fiscal 2002.

R&D Systems was founded and incorporated in 1976 in Minneapolis, Minnesota and was acquired by the Company in 1985. In 1977, R&D Systems introduced its first product, a platelet-rich-plasma control. In 1981, R&D Systems was the second manufacturer in the world to release a whole blood control with platelets, thereby establishing itself as one of the leaders in the field of hematology control products manufacturing. Subsequently, R&D Systems has developed several types of hematology controls designed to keep pace with the technology of the newest models of hematology instruments. These products are sold throughout the United States directly by R&D Systems and in many foreign countries through distributors.

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

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

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

During fiscal 1998, 1999, and 2000, the Company made equity investments in the preferred stock of ChemoCentryx, Inc. (CCX), a technology and drug development company. The Company currently holds approximately 26% of the outstanding stock of CCX. In addition to the equity investment and joint research efforts, the Company obtained research and diagnostic market rights to all products discovered or developed by CCX.

In fiscal 1999, R&D Systems purchased Genzyme Corporation's research products business. This acquisition established R&D Systems as the world's leading supplier of research and diagnostic cytokine products.

In fiscal 2002, the Company made an equity investment of $3 million and entered into a research and license agreement with Discovery Genomics, Inc. (DGI). DGI holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of druggable targets. The Company currently holds a 39% equity interest in DGI and also received the rights to develop antibodies and immunoassay kits for proteins discovered by DGI and the rights to sell such products to the research market.

THE MARKET

The Company, through its two operating subsidiaries, manufactures and sells products for the clinical diagnostics market (hematology controls and calibrators) and the biotechnology research and clinical diagnostics market (cytokines, assays and related products). In fiscal 2002, R&D Systems' Hematology Division revenues accounted for approximately 12% of consolidated revenues of $130,900,395. Revenues from R&D Systems' Biotechnology Division and R&D Europe were 65% and 23% of consolidated revenues, respectively.

Biotechnology Products

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

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

R&D Systems' Biotechnology Division was formed in response to a growing need for highly purified biologically active proteins. R&D Systems believes that its cytokines are addressing the growing demand for these products within the scientific research community.

During fiscal 1990, the Biotechnology Division released its first cytokine assay kits under the tradename Quantikine. These kits are used by researchers to quantify the level of a specific cytokine in a sample of blood, serum, or other biological fluid. In fiscal 1996, the Biotechnology Division expanded its Quantikine line by introducing a line of assay kits for mouse cytokines and has subsequently released kits for other animal models, including rat and pig. These kits are used extensively by research scientists doing cytokine studies using animal models, such as those used in pharmaceutical discovery and development programs.

Current Biotechnology Products

Cytokines and Related Antibodies. Cytokines, extracted from natural sources or produced using recombinant DNA technology, are manufactured to the highest purity. Polyclonal antibodies are produced by injecting purified cytokines into animals (primarily goats and rabbits). The animals' immune systems recognize the cytokines as foreign and develop antibodies to these cytokines. The polyclonal antibodies are then extracted from the animals' blood and purified. Monoclonal antibodies are produced by injecting purified cytokines into mice. The B cells of a mouse's immune system are then isolated and fused with immortalized mouse cells that will produce the desired antibody. Purified cytokines and antibodies are made available both as research reagents and as parts of assay kits (below).

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

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

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

DNA and Related Products. Designer genes and designer probes are synthetic DNAs used in the study of gene function.

Hematology Controls and Calibrators

Hematology controls and calibrators, manufactured and marketed through the Hematology Division of R&D Systems, are products made up of the various cellular components of blood. Proper diagnosis of many illnesses requires a thorough and accurate analysis of the patient's blood cells, which is usually done with automatic or semiautomatic hematology instruments. Controls and calibrators ensure that these instruments are performing accurately and reliably.

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

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

These and other characteristics or "parameters" of a blood sample can be measured by automatic or semiautomatic cell counters. Cell counters can read the parameters of blood either by impedance, in which a cell interrupts an electrical current and is counted, or by a laser, in which a cell interrupts a laser beam and is counted. The number of parameters measurable in a blood control product depends on the type and sophistication of the instrument for which the control is designed. Ordinarily, a hematology control is used once to several times a day to make sure the instrument is reading accurately. Some instruments need to be calibrated periodically. Hematology calibrators are similar to controls but go through additional processing and testing to ensure that the calibration values assigned are extremely accurate and can be used to adjust the instrument.

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

Current Retail Hematology Products

Impedance-Type Whole Blood Controls/Calibrators. The Hematology Division of R&D Systems currently produces controls and calibrators for the following impedance-type instruments: Abbott Cell-Dyn, ABX, Beckman Coulter, Danam, Hycel, Roche and TOA Sysmex instruments.

Laser-Type Whole Blood Controls/Calibrators. Currently produced controls

and calibrators for laser-type instruments include products for the following: Beckman Coulter MAXM, STKS and GENS; Abbott Cell-Dyn 3000, 3200, 3500 and 4000 instruments; ABX instruments; Bayer Technicon ADVIA and H series instruments; and the TOA Sysmex NE-8000 and NE-5500 instruments.

Linearity Control. This product provides a means of assessing the linearity of hematology analyzers for white blood cells, red blood cells, hemoglobin and platelets.

Whole Blood Reticulocyte Control. This control is designed for manual and automated counting of reticulocytes (immature red blood cells).

Whole Blood Flow Cytometry Control. This product is a control for flow cytometry instruments. These instruments are used to identify and quantify white blood cells by their surface antigens.

Whole Blood Glucose/Hemoglobin Control. This product is designed to monitor instruments for measuring glucose and hemaglobin.

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

Multi-Purpose Platelet Reference Control. This product, Platelet-Trol(r) II, is designed for use by automatic and semi-automatic impedance and laser instruments and is the successor to Platelet-Rich-Plasma which R&D Systems introduced in 1977.

PRODUCTS UNDER DEVELOPMENT

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

R&D Systems' Biotechnology Division is planning to release new cytokines, antibodies and cytokine assay kits in the coming year. All of these products will be for research purposes only and therefore do not require FDA clearance. R&D Systems' Hematology Division has developed several new control products in fiscal 2002 and is continuously working on product improvements and enhancements. However, there is no assurance that any of the products in the research and development phase can be developed or, if developed, can be successfully introduced into the marketplace.

Expenditures for research and development activities were $17,470,267, $14,522,233 and $11,198,309 for fiscal year 2002, 2001 and 2000, respectively.

BUSINESS RELATIONSHIPS

During fiscal 1998, 1999, and 2000, the Company purchased a total of $5 million of convertible preferred stock of ChemoCentryx, Inc. (CCX), which gave the Company a 49% interest in CCX through January 2001. In February 2001, CCX obtained $23 million in financing through the issuance of 8,846,154 shares of additional preferred stock. The Company currently holds approximately 26% of the outstanding voting stock of CCX. CCX is a technology and drug development company working in the area of chemokines. Chemokines are cytokines which regulate the trafficking patterns of leukocytes, the effector cells of the human immune system. In conjunction with the equity investment and joint research efforts, the Company obtained exclusive worldwide research and diagnostic marketing rights to chemokine proteins, antibodies and receptors discovered or developed by CCX or R&D Systems. The Company accounts for the investment under the equity method of accounting and, through January 2001, recognized 100% of the losses of CCX due to the limited amount of cash consideration provided by the holders of the common shares of CCX. Subsequent to January 2001, the Company is including CCX operating results in its consolidated financial statements based on its ownership percentage. The Company's net investment in CCX was

$5,091,046 and $6,441,481 at June 30, 2002 and 2001, respectively.

On August 2, 2001, the Company made an equity investment of $3 million and entered into a research and license agreement with Discovery Genomics, Inc. (DGI) of Minneapolis, Minnesota. DGI holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of druggable targets. The Company acquired a 39% equity interest in DGI and warrants to acquire additional equity. The Company also received the rights to develop antibodies and immunoassay kits for proteins discovered by DGI and an exclusive, royalty free license to sell such products in the research market. The Company's investment is accounted for under the equity method of accounting. The Company's net investment in DGI was $2,494,985 at June 30, 2002.

Original Equipment Manufacturers (OEM) agreements represent the largest market for hematology controls and calibrators made by R&D Systems. In fiscal 2002, OEM contracts accounted for $7,609,435 or 49% of Hematology Division revenues and 6% of total consolidated revenues.

GOVERNMENT REGULATION

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

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

Some of R&D Systems' research groups use small amounts of radioactive materials in the form of radioisotopes in their product development activities. Thus, R&D Systems is subject to regulation by the US Nuclear Regulatory Commission (NRC) and has been granted an NRC license due to expire in April 2003. The license is renewable annually. R&D Systems is also subject to regulation and inspection by the Department of Health of the State of Minnesota for its use of radioactive materials. It has been granted a certificate of registration, which is renewable annually, by the Minnesota Department of Health. The current certificate expires April 1, 2003. R&D Systems has had no difficulties in renewing these licenses in prior years and has no reason to believe they will not be renewed in the future. If, however, the licenses were not renewed, it would have minimal effect on R&D Systems' business since there are other technologies the research groups could use to replace radioisotopes.

AVAILABILITY OF RAW MATERIALS

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

PATENTS AND TRADEMARKS

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

R&D Systems and R&D Europe have a number of licensing agreements with patent holders under which they have the non-exclusive right to patented technology or the non-exclusive right to manufacture and sell certain patented cytokine and cytokine related products to the research market. For fiscal 2002, total royalties expensed under these licenses were approximately $2,143,000.

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

SEASONALITY OF BUSINESS

Sales of the products manufactured by R&D Systems and R&D Europe, particularly R&D Europe, historically experience a slowing of sales or of the rate of sales growth during the summer months. The Company believes this slowing is a result of vacation schedules in Europe and Japan and of academic schedules in the United States.

SIGNIFICANT CUSTOMERS

No single customer accounted for more than 10% of total revenues during fiscal 2002, 2001 or 2000.

BACKLOG

There was no significant backlog of orders for the Company's products as of the date of this report or as of a comparable date for fiscal 2001.

COMPETITION

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

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

EMPLOYEES

R&D Systems had 460 full-time and 48 part-time employees as of June 30, 2002. R&D Europe had 49 full-time and 9 part-time employees as of June 30, 2002, including 10 full-time and 1 part-time at R&D Europe's sales subsidiary in Germany.

ENVIRONMENT

Compliance with federal, state and local environmental protection laws in the United States, England and Germany had no material effect on R&D Systems or R&D Europe in fiscal 2002.

FOREIGN AND DOMESTIC OPERATIONS

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

	2002	2001	2000
Net Sales to External Customers			
Hematology Division:			
US	$ 13,101	$ 12,357	$ 11,140
Other	2,470	2,353	2,435
Biotechnology Division:			
US	67,856	58,661	51,788
Other	16,798	14,995	12,443
R&D Europe:			
Other	30,675	26,990	26,032
Gross Margin			
R&D Systems (US)	87,558	76,578	66,125
R&D Europe (England)	9,178	8,731	9,373
R&D GmbH (Germany)	1,657	1,623	1,590
Net Earnings (Loss)			
Parent and R&D Systems (US)	24,436	31,006	22,418
R&D Europe (England)	4,324	3,310	3,269
R&D GmbH (Germany)	225	229	253
ChemoCentryx (US)	(1,350)	(500)	643
Discovery Genomics (US)	(505)	--	--
Identifiable Assets			
Parent and R&D Systems (US)	214,606	197,743	165,834
R&D Europe (England)	22,594	17,029	13,546
R&D GmbH (Germany)	1,047	753	1,030

CAUTIONARY STATEMENTS

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

Risk of Technological Obsolescence and Competition

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

regard to diagnostic kits, which constitute a relatively minor portion of the Company's business, many of the Company's competitors have significantly greater experience than the Company in undertaking preclinical testing and clinical trials of new or improved diagnostic kits and obtaining FDA and other regulatory approvals of such products.

Patents and Proprietary Rights

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

Financial Impact of Expansion Strategy

The Company engages in an expansion strategy which includes internal development of new products, collaboration with manufacturers of automated instruments which may use the Company's products, investment in joint ventures and companies developing new products related to the Company's business and acquisition of companies for new products or additional customer base. Each of the strategies carries risks that objectives will not be achieved and future earnings will be adversely affected. During the early development stage, under the equity method of accounting, a percentage of the losses of certain companies in which the Company may invest will be reported as losses of the Company, as is the case with ChemoCentryx, Inc. and Discovery Genomics, Inc.

Government Regulation

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

Attraction and Retention of Key Employees

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

ITEM 2. PROPERTIES

On July 1, 1999, the Company purchased, for approximately $28 million, the facilities R&D Systems had been leasing in Minneapolis, Minnesota. The R&D Systems complex currently includes 365,000 square feet of administrative, research and manufacturing space. The Hematology Division manufacturing and shipping operations are located at 640 McKinley Place N.E. (47,000 square feet). Biotechnology Division manufacturing and research operations are located at 600 McKinley Place NE (85,000 square feet) and 2201 Kennedy Street (200,000 square feet). Administrative, sales and marketing functions are also located at the 2201 Kennedy Street building. The Company also occupies an additional 20,000 square feet in space connecting the three buildings. This area houses a lunchroom, a library and warehouse space. In addition, the Company constructed a 13,000 square foot entrance to the facility.

On March 15, 2002, the Company purchased property adjacent to its Minneapolis facility for approximately $8.9 million. The Company has begun to renovate this property and, when complete in late fiscal 2003, the building will add approximately 176,000 square feet of space. The Company plans to lease out approximately 70% of the building as retail and office space and use the remainder as warehouse and storage space. The Company has begun construction on an infill to connect this building to its current facility. The 78,000 square foot infill, expected to be completed in late fiscal 2002, will be used primarily for laboratory space.

The Company has entered into an option agreement for additional real estate adjacent to the current facility. This option is exerciable through January 2005.

R&D Europe leases approximately 17,000 square feet in a building in Abingdon, England. Base rent was $267,000 in fiscal 2002.

R&D GmbH leases approximately 2,300 square feet as a sales office in Wiesbaden-Nordenstadt, Germany. Base rent was $28,000 in fiscal 2002.

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

ITEM 3. LEGAL PROCEEDINGS

On September 19, 2000, the Company brought a declaratory judgement action in United States District Court for the District of Minnesota (the Court) seeking to have the Court declare that no amount is owed by the Company to Amgen, Inc. (Amgen) in connection with invoices in the amount of $31.9 million rendered by Amgen in June 2000 for materials provided to the Company in past years. The Company also claimed damages for breach of contract and unfair business practices in violation of applicable statutes. Amgen subsequently acknowledged error and reduced the amount of its invoices by $3.9 million to $28 million. Amgen filed a counterclaim seeking the $28 million plus interest and attorneys fees. On May 30, 2002, the parties agreed to a $17.5 million full, complete and final cash settlement of the dispute. The settlement was paid prior to June 30, 2002.

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

No matter was submitted to a vote of the Company's security holders during the fourth quarter of the Company's 2002 fiscal year.

EXECUTIVE OFFICERS OF THE COMPANY

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

Name	Age	Position	Officer Since
Thomas E. Oland	61	Chairman of the Board, President, Treasurer, Chief Executive and Chief Financial and Accounting Officer and Director	1985
Dr. Monica Tsang	57	Vice President, Research	1995
Marcel Veronneau	47	Vice President, Hematology Operations	1995
Timothy M. Heaney	56	Vice President, Secretary, General	1999

Counsel and Director

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

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

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

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

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

Timothy M. Heaney was elected a Vice President of the Company in October 1999. Prior thereto, he was a partner at Fredrikson and Byron, P.A., the Company's outside legal counsel and had served as the managing partner on the Company's account.

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

PART II

ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

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

	Fiscal 2002 Price		Fiscal 2001 Price	
	High	Low	High	Low
1st Quarter	$ 35.49	$ 25.90	$ 74.00	$ 36.50
2nd Quarter	36.85	27.91	62.66	32.00
3rd Quarter	37.05	27.02	33.69	22.50
4th Quarter	32.72	25.30	38.41	24.81

As of September 13, 2002, there were approximately 300 shareholders of record. As of September 13, 2002, there were over 22,000 beneficial shareholders of the Company's common stock. TECHNE Corporation has never paid cash dividends on its common stock. Payment of dividends is within the discretion of TECHNE's Board of Directors, although the Board of Directors plans to retain earnings for the foreseeable future for operating the Company's business.

ITEM 6. SELECTED FINANCIAL DATA

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

REVENUE, EARNINGS AND CASH FLOW DATA FOR THE YEARS ENDED JUNE 30	2002	2001	2000	1999 (1)	1998

Net sales	$130,900	$115,357	$103,838	$ 90,901	$ 67,291
Gross margin	75.2%	75.4%	74.2%	69.9%	70.3%
Selling, general and administrative expenses	14.9%	15.4%	16.7%	18.6%	22.8%
Research and development expenses	13.3%	12.6%	10.8%	13.2%	15.8%
Interest expense	1,320	1,381	1,441	--	--
Earnings before income taxes(2)	37,736	47,808	39,412	26,054	22,411
Net earnings(2)	27,130	34,045	26,583	16,656	15,183
Diluted earnings per share(2)	0.64	0.80	0.63	0.40	0.39
Capital expenditures	22,276	6,815	30,368	5,564	2,780
Depreciation and amortization	12,688	12,737	12,651	11,890	2,303
Change in net working capital	6,148	34,560	36,352	(12,544)	15,033
Net cash provided by operating activities(2)	27,667	46,372	38,739	28,422	20,875
Return on sales(2)	20.7%	29.5%	25.6%	18.3%	22.6%
Return on average equity(2)	14.1%	21.4%	22.3%	20.7%	27.1%

BALANCE SHEET, COMMON STOCK AND EMPLOYEE DATA AS OF JUNE 30	2002	2001	2000	1999 (1)	1998
Cash, cash equivalents and short-term available-for-sale investments	$ 97,064	$ 97,072	$ 59,824	$ 29,114	$ 41,436
Receivables	19,414	18,322	15,601	13,520	10,002
Inventories	6,077	5,438	4,652	5,715	3,811
Working capital	114,448	108,300	73,740	37,388	49,932
Total assets	238,247	215,525	180,410	123,801	72,785
Long-term debt, less current portion	17,101	18,050	18,935	--	--
Stockholders' equity	206,517	177,660	141,145	96,838	63,831
Average common and common equivalent shares (in thousands)	42,523	42,668	42,206	41,373	39,215
Book value per share(3)	4.97	4.29	3.41	2.41	1.67
Share price:					
High	37.05	74.00	70.00	14.75	10.00
Low	25.30	22.50	12.38	6.13	6.72
Price to earnings ratio	44	41	103	31	25
Current ratio	8.82	7.81	6.87	3.78	7.84
Quick ratio	7.96	7.26	6.00	3.17	7.05
Full-time employees	509	494	440	402	356

(1) The Company acquired the research products business of Genzyme Corporation on July 1, 1998.

(2) Fiscal 2002 results include a $17,500,000 before tax charge ($11,375,000 after tax and $.27 diluted earnings per share) for settlement of litigation with Amgen, Inc.

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

The Company has not declared any cash dividends in the past, and it is not anticipated that it will declare any dividends in the foreseeable future.

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

COMPANY STRUCTURE

TECHNE Corporation (the Company) has two operating subsidiaries: Research and Diagnostic Systems, Inc. (R&D Systems) and R&D Systems Europe Ltd. (R&D Europe). R&D Systems, located in Minneapolis, Minnesota, has two operating segments: its Biotechnology Division and its Hematology Division. The Biotechnology Division develops and manufactures purified cytokines

(proteins), antibodies and assay kits which are sold to biomedical researchers and clinical research laboratories. The Hematology Division develops and manufactures whole blood hematology controls and calibrators which are sold to hospitals and clinical laboratories to check the performance of hematology instruments to assure the accuracy of hematology test results. R&D Europe, the Company's third operating segment, located in Abingdon, England, is the European distributor of R&D Systems' biotechnology products. R&D Europe has a German sales subsidiary, R&D Systems GmbH. The Company also had a foreign sales corporation, Techne Export Inc., which was dissolved in fiscal 2002.

CRITICAL ACCOUNTING POLICIES

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

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

Valuation of accounts receivable

The Company performs ongoing credit evaluations of its customers and adjusts credit limits based upon payment history and the customers' current creditworthiness, as determined by management's review of their current credit information. The Company continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon the Company's historical experience and any specific customer collection issues that have been identified. While such credit losses have historically been within the Company's general expectations and the provisions established, the Company cannot guarantee that it will continue to experience the same credit loss rates that have occurred in the past.

Valuation of inventory

Inventories are valued at the lower of cost (first-in, first-out method) or market. The Company regularly reviews inventories on hand and records a provision for slow-moving and obsolete inventory, inventory not meeting quality control standards and inventory subject to expiration. The provision for slow-moving and obsolete inventory is based on current estimates of future product demand, market conditions and related management initiatives. Any significant unanticipated changes in product demand or market conditions could have an impact on the value of inventories.

Income taxes

The Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended period of time to resolve. In management's opinion, adequate provisions for income taxes have been made for all years presented.

Assessment of claims or pending litigation

The Company is routinely subject to claims and involved in legal actions which are incidental to the business of the Company. The ultimate outcomes of these matters, by their nature, are difficult to predict. Accordingly, management may be unable to make a reasonable estimate of the liabilities that could result from unfavorable outcomes of any asserted claims or pending litigation. As additional information becomes available, the Company will assess the potential liabilities related to claims or pending litigation and

revise estimates as needed. Such revisions could materially impact the Company's consolidated financial position or results of operations.

RESULTS OF OPERATIONS

Net sales for fiscal 2002 were $130,900,395, an increase of $15,543,833 (13%) from fiscal 2001. Net sales by R&D Systems' Biotechnology Division for the period increased $10,998,256 (15%). Net sales by R&D Systems' Hematology Division increased $860,192 (6%) and net sales by R&D Europe increased $3,685,385 (14%). The increase in consolidated net sales for the fiscal year was due largely to increased sales of proteins and antibodies.

Net sales for fiscal 2001 were $115,356,562, an increase of $11,518,407 (11%) from fiscal 2000. Net sales by R&D Systems' Biotechnology Division for the period increased $9,426,085 (15%). Net sales by R&D Systems' Hematology Division increased $1,135,001 (8%) and net sales by R&D Europe increased $957,321 (4%). The increase in consolidated net sales for the fiscal year was due largely to increased sales of proteins and antibodies. R&D Europe's net sales for fiscal 2001 were affected by changes in foreign currency exchange rates. In British pounds, R&D Europe's net sales increased 14% from the prior year and, adjusted for all changes in exchange rates, R&D Europe's net sales for fiscal 2001 would have been approximately $2.9 million higher than reported.

Net sales for fiscal 2000 were $103,838,155, an increase of $12,937,458 (14%) from fiscal 1999. Net sales by R&D Systems' Biotechnology Division for the period increased $9,269,504 (17%). Net sales by R&D Systems' Hematology Division increased $901,919 (7%) and net sales by R&D Europe increased $2,766,035 (12%). The increase in consolidated net sales for the fiscal year was due largely to increased sales of proteins and antibodies.

Gross margins, as a percentage of sales, decreased slightly from 75.4% in fiscal 2001 to 75.2% in fiscal 2002. Biotechnology Division gross margins increased from 78.6% to 79.2% in fiscal 2002 as a result of increased manufacturing efficiencies. R&D Europe gross margins decreased from 38.3% to 36.1% in fiscal 2002 mainly as a result of changes in exchange rates. Hematology Division gross margins decreased from 46.7% to 45.0% in fiscal 2002 as a result of higher raw material costs in the second quarter of the year. Blood costs increased significantly during the second quarter of fiscal 2002 as a result of a decreased blood supply. Costs decreased during the remainder of the year when the blood supply returned to a more normal level.

Gross margins, as a percentage of sales, increased from 74.2% in fiscal 2000 to 75.4% in fiscal 2001. Biotechnology Division gross margins increased from 76.9% to 78.6% in fiscal 2001. Margins in the first half of fiscal 2000 were affected by higher cost inventory acquired from Genzyme. R&D Europe gross margins decreased from 41.9% to 38.3% in fiscal 2001 mainly as a result of changes in exchange rates. Hematology Division gross margins decreased from 48.4% to 46.7% in fiscal 2001 as a result of changes in product mix.

Gross margins, as a percentage of sales, increased from 69.9% in fiscal 1999 to 74.2% in fiscal 2000. Biotechnology Division gross margins increased from 70.8% to 76.9% in fiscal 2000. Margins in fiscal 1999 were affected by higher cost inventory acquired from Genzyme. R&D Europe gross margins decreased from 46.0% in fiscal 1999 to 41.9% in fiscal 2000 mainly as a result of changes in exchange rates. Hematology Division gross margins did not change significantly from the prior year.

Selling, general and administrative expenses increased $1,839,980 (10%), $399,084 (2%) and $452,914 (3%) in fiscal 2002, 2001 and 2000. The increase in each year was mainly the result of increased wages and benefits. In fiscal 2001, the increase in wages and benefits was partially offset by the effect of exchange rate changes and in fiscal 2000, the increase was partially offset by decreased rent expense due to the purchase of R&D Systems' Minneapolis facility at the beginning of the fiscal year.

Research and development expenses increased $2,948,034 and $3,323,924 in fiscal 2002 and 2001, respectively, and decreased $806,489 in fiscal 2000. Included in fiscal 2002 research and development expenses were losses of $1,350,435 and $505,015 by ChemoCentryx, Inc. (CCX) and Discovery Genomics, Inc. (DGI), development stage companies in which Company has invested. Fiscal

2001 research and development expenses included losses by CCX of $499,687. Fiscal 2000 research and development expenses included income of $642,585 by CCX as a result of research grant money received by CCX, which offset CCX's research expenses. Exclusive of CCX and DGI, research and development expenses by the Company increased $1.6 million, $2.4 million and $1.6 million in fiscal 2002, 2001 and 2000, respectively. These increases were primarily the result of the development and release of new cytokines, antibodies and assay kits by R&D Systems' Biotechnology Division and the development and release of several new Hematology Division control products.

Litigation settlement. In the fourth quarter of fiscal 2002, the Company recorded a $17.5 million charge as a result of a litigation settlement. In fiscal 2000, Amgen, Inc. had presented invoices in the amount of $28 million for materials provided to the Company over past years, allegedly pursuant to a contract under which no accounting or invoices were rendered for nine years. The Company brought a declaratory judgement action seeking to have the court declare that no amount was owed on the invoices. Amgen, Inc. filed a counterclaim seeking the $28 million plus interest and attorneys fees. On May 30, 2002, the parties agreed to a $17.5 million cash settlement of the dispute. The settlement was paid in June 2002 with cash on hand and the liquidation of approximately $15 million of short-term available-for-sale investments. The after-tax amount of the charge to Techne's fiscal 2002 results was approximately $11.4 million or $.27 per diluted share. Excluding the settlement, earnings per diluted share would have been $.91 for the fiscal year compared to $.80 in the prior year. Future operations and sales will not be affected adversely in any way as a direct result of the settlement.

Earnings before taxes decreased from $47,808,376 in fiscal 2001 to $37,735,669 in fiscal 2002. The decrease was the result of the litigation settlement discussed above. Excluding the settlement, Techne's earnings before taxes for the fiscal year would have been approximately $55.2 million compared to $47.8 million in the prior year, an increase of $7.4 million. R&D Systems' Biotechnology Division earnings increased $8,010,086, R&D Systems' Hematology Division earnings increased $37,292 and R&D Europe earnings increased $1,193,382. The increases in earnings were due mainly to increased sales. The increased earnings by the above segments were partially offset by $850,748 and $505,015 in increased operating losses by CCX and DGI as a result of increased research spending.

Earnings before taxes increased from $39,411,797 in fiscal 2000 to $47,808,376 in fiscal 2001. The increase in earnings was primarily the result of a $8,543,176 increase in R&D Systems' Biotechnology Division earnings, a $573,280 increase in R&D Systems' Hematology Division earnings and a $270,873 increase in R&D Europe earnings. The increases in earnings were due mainly to increased sales and improved Biotechnology Division gross margins. The increased earnings by the above segments were partially offset by a $1,142,272 increase in operating losses by CCX as a result of increased research spending.

Earnings before taxes increased from $26,054,010 in fiscal 1999 to $39,411,797 in fiscal 2000. The increase in earnings was primarily the result of a $10,803,845 increase in R&D Systems' Biotechnology Division earnings, a $777,379 increase in R&D Systems' Hematology Division earnings and a $804,885 increase in R&D Europe earnings. The increases in earnings were due mainly to increased sales and improved Biotechnology Division gross margins. In addition, as a result of the research grant money received by CCX in fiscal 2000, CCX's losses decreased $2,059,224 from fiscal 1999. The above increases in earnings were partially offset by increased interest expense related to financing of the building acquisition.

Income taxes for fiscal 2002, 2001 and 2000 were provided at rates of approximately 28%, 29% and 33%, respectively. The tax rate in fiscal 2002 includes the effect of a $1 million credit due to changes in state tax regulations. The tax rate in fiscal 2001 includes the effect of a one-time $1.2 million credit as a result of the close-out of pending issues related to a state income tax examination for fiscal years 1996 through 1999. U.S. federal and state taxes have been reduced as a result of tax-exempt interest income, the benefit of extraterritorial income in fiscal 2002, the benefit of the foreign sales corporation in fiscal 2001 and 2000, and the federal and state credit for research and development expenditures. Foreign income taxes have been provided at rates which approximate the tax rates in the United Kingdom and Germany.

QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL 2002				FISCAL 2001			
	FIRST QTR.	SECOND QTR.	THIRD QTR.	FOURTH QTR.(1)	FIRST QTR.	SECOND QTR.	THIRD QTR.	FOURTH QTR.
Net sales	$29,843	$31,137	$34,285	$35,636	$27,722	$26,689	$30,241	$30,705
Gross margin	22,295	23,109	25,893	27,096	20,917	19,922	22,748	23,345
Earnings (loss) before taxes	12,256	12,407	15,350	(2,277)	11,283	10,436	12,684	13,406
Income taxes	3,831	3,972	4,776	(1,973)	3,780	3,453	2,519	4,011
Net earnings (loss)	8,425	8,435	10,574	(304)	7,503	6,983	10,165	9,395
Basic earnings (loss) per share	0.20	0.20	0.25	(0.01)	0.18	0.17	0.25	0.23
Diluted earnings (loss) per share	0.20	0.20	0.25	(0.01)	0.18	0.16	0.24	0.22

(1) Results include a $17,500,000 before tax charge ($11,375,000 after tax) for settlement of litigation with Amgen, Inc. Excluding the settlement basic and diluted earnings per share would have been $.27 and $.26, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash, cash equivalents and short-term available-for-sale investments at June 30, 2002 were $97,063,821 compared to $97,071,868 at June 30, 2001. At June 30, 2000, cash, equivalents and short-term available-for-sale investments were $59,824,291. The Company has an unsecured line of credit of $750,000 available at June 30, 2002. The line of credit expires on October 31, 2002. The interest rate on the line of credit is at the prime rate of 4.75% at June 30, 2002.

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

Cash flows from operating activities

The Company generated cash from operations of $27,667,227, $46,371,711 and $38,739,403 in fiscal 2002, 2001 and 2000, respectively. The decrease in cash generated from operating activities in fiscal 2002 compared to 2001 was a result of decreased net earnings due to the $17.5 million litigation settlement and increased income tax payments. The majority of the increase in cash generated from operating activities in fiscal 2001 compared to fiscal 2000 resulted from an increase in net earnings after adjustment for noncash expenses.

Cash flows from investing activities

The Company's net (proceeds) purchases of short-term available-for-sale investments in fiscal 2002, 2001 and 2000 was ($5,132,736), $33,335,894 and $26,123,527, respectively. The Company's investment policy is to place excess cash in municipal and corporate bonds with the objective of obtaining the highest possible return with the lowest risk, while keeping funds accessible.

On August 2, 2001, the Company made an equity investment of $3 million in Discovery Genomics, Inc. (DGI). DGI holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of drug targets. The Company holds a 39% equity interest in DGI and accounts for this investment under the equity method of accounting. The Company's net investment in DGI was $2,494,985 at June 30, 2002.

Capital additions (excluding the building purchases and construction discussed below) were $2,645,977, $4,920,832 and $8,505,709 in fiscal 2002, 2001 and 2000, respectively. Included in fiscal 2002, 2001 and 2000 capital additions are building improvements of $.5 million, $2.3 million and $5.1 million related to R&D Systems' remodeling. The remaining capital additions were for laboratory, manufacturing and computer equipment. Capital additions for laboratory, manufacturing and computer equipment planned for fiscal 2003 are expected to be approximately $1.4 million and are expected to be financed through currently available cash and cash generated from operations.

On March 15, 2002, the Company purchased property adjacent to its Minneapolis facility for approximately $8.9 million. In fiscal 2000, the Company paid $2 million and issued warrants to purchase 120,000 shares of common stock as a deposit on the acquisition. The warrants were valued at $858,000. The remaining $6 million purchase price was financed through cash on hand. The Company has begun to renovate this property and to build an infill to connect it to its current facility. The Company incurred costs of $7.8 million in fiscal 2002 on this construction. Remaining construction costs are estimated to be approximately $16 million with the completion of the construction expected in late fiscal 2003. The construction is expected to be financed through cash on hand and cash generated from operations.

During fiscal 2002, the Company completed construction of a $7.8 million parking ramp at its Minneapolis facility. Construction was begun on the ramp in fiscal 2001 and $1.9 million of the construction costs were paid in that year. The remaining $5.9 million of construction costs paid in fiscal 2002 were financed through cash on hand and cash generated from operations.

On July 1, 1999, the Company purchased the facilities it had occupied in Minneapolis, Minnesota for approximately $28 million. Cash of $4 million and 200,000 shares of common stock valued at $2.16 million were placed in escrow during fiscal 1999. The remainder of the purchase price was financed through cash on hand and a $20.4 million 15-year mortgage.

The Company paid $1,999,000 on March 15, 2002 as a nonrefundable deposit on an option, which expires in 2005, to purchase additional property adjacent to its Minneapolis facility. In fiscal 2000, the Company had paid an original $1,000 deposit on this option.

Cash flows from financing activities

The Company received $332,173, $814,892 and $6,470,910 for the exercise of options for 87,400, 89,616 and 1,052,046 shares of common stock in fiscal 2002, 2001 and 2000, respectively.

In fiscal 2002 and 2001, the Company purchased and retired 30,000 and 40,000 shares of Company common stock at market values of $745,615 and $1,163,768, respectively. In May 1995, the Company announced a plan to purchase and retire up to $5 million of its common stock. In April 1997 and January 2001 this was increased an additional $5 million and $10 million, respectively. Through June 30, 2002, $10,663,497 of common stock had been purchased under the plan. Subsequent to June 30, 2002, the Company has purchased an additional $5,864,890 of common stock. Any additional purchases will be funded from currently available cash.

The Company has never paid cash dividends and has no plans to do so in fiscal 2003. The Company's earnings will be retained for reinvestment in the business.

Contractual obligations

The following table summarizes the Company's contractual obligations and commercial commitments as of June 30, 2002:

	Payments Due by Period ($000's)				
		Less than			After
	Total	1 Year	1-3 Years	4-5 Years	5 Years
Long-term debt	$18,050	$ 950	$ 2,110	$ 2,434	$12,556
Operating leases	5,727	481	897	834	3,515

NEW ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Accounting Standards (SFAS) No. 141, BUSINESS COMBINATIONS and SFAS No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS. SFAS No. 141 applies to all business combinations initiated after June 30, 2001 and prohibits the use of the pooling-of-interests method of accounting. There are also transition provisions provided that apply to business combinations completed before July 1, 2001 that were accounted for using the purchase method. Under SFAS No. 142, goodwill as well as other intangibles determined to have an infinite life will no longer be amortized; however, these assets will be reviewed for impairment on a periodic basis. SFAS No. 142 also includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairments of goodwill. The Company adopted SFAS No. 142 on July 1, 2002. The Company has six months from the date it initially applies SFAS No. 142 to complete an initial goodwill impairment test. The Company is currently assessing, but has not yet determined, if a cumulative effect adjustment will be required upon adoption. As of June 30, 2002, the Company had net goodwill and other intangible assets of approximately $12.6 million and $6.3 million, respectively. Amortization expense recorded during fiscal 2002, 2001, and 2000 was approximately $8.5 million, $8.9 million and $9.2 million, respectively.

In June 2001, the FASB issued SFAS No. 143, ACCOUNTING FOR ASSET RETIREMENT OBLIGATIONS. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or the normal operations of a long-lived asset, except for certain obligations of lessees. SFAS No. 143 is effective for the Company in fiscal 2003. Management believes that the adoption of SFAS No. 143 will not have a material impact on the Company's financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS. SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No 121, ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS AND FOR LONG-LIVED ASSETS TO BE DISPOSED OF, and the accounting and reporting provisions of APB Opinion No. 30, REPORTING THE RESULTS OF OPERATIONS-REPORTING THE EFFECTS OF DISPOSAL OF A SEGMENT OF A BUSINESS, AND EXTRAORDINARY, UNUSUAL AND INFREQUENTLY OCCURRING EVENTS AND TRANSACTIONS, for the disposal of a segment of a business (as previously defined in that Opinion). SFAS No. 144 is effective for the Company in fiscal 2003. Management believes that the adoption of SFAS No. 144 will not have a material impact on the Company's financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, RESCISSION OF FASB STATEMENTS NO. 4, 44, AND 64, AMENDMENT OF FASB STATEMENT NO. 13, AND TECHNICAL CORRECTIONS. SFAS No. 145 will be effective for the Company on July 1, 2002. Management believes that the adoption of SFAS No. 145 will not have a material impact on the Company's financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, ACCOUNTING FOR COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES. SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, LIABILITY RECOGNITION FOR CERTAIN EMPLOYEE TERMINATION BENEFITS AND OTHER COSTS TO EXIT AN ACTIVITY (INCLUDING CERTAIN COSTS INCURRED IN A RESTRUCTURING). SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF 94-3, a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 will be effective for exit or disposal activities that are initiated by the Company after December 31, 2002.

FORWARD-LOOKING INFORMATION

Statements in this Annual Report, and elsewhere, that are forward-looking

involve risks and uncertainties which may affect the Company's actual results of operations. Certain of these risks and uncertainties which have affected and, in the future, could affect the Company's actual results are discussed below.

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

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

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

Ongoing research and development activities, including preclinical and clinical testing, and the production and marketing of the Company's products are subject to regulation by numerous governmental authorities in the United States and other countries. The approval process applicable to clinical diagnostic products of the type that may be developed by the Company usually takes a number of years and typically requires substantial expenditures. Delays in obtaining approvals could adversely affect the marketing of new products developed by the Company.

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

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At the end of fiscal 2002, the Company had a professionally managed investment portfolio of fixed income securities, excluding those classified as cash and cash equivalents, of $70,671,341 (see Note A of Notes to Consolidated Financial Statements). These securities, like all fixed income instruments, are subject to interest rate risk and will decline in value if market interest rates increase. However, the Company has the ability to hold its fixed income investments until maturity and therefore the Company would not expect to recognize an adverse impact in income or cash flows.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency rate changes. The Company does not enter into foreign exchange forward contracts to reduce its exposure to

foreign currency rate changes on intercompany foreign currency denominated balance sheet positions.

As of June 30, 2002, the Company's long-term debt consisted of a mortgage note payable with a fixed interest rate of 7% through July 2006 and is thereafter adjusted based on U.S. Treasury rates. Thus, during the period that the interest rate is fixed, interest rate fluctuations would not impact interest expense or cash flows. However, the mortgage note payable will increase or decrease in value if market interest rates change. As of June 30, 2002, the fair market value of the Company's mortgage note payable approximated its carrying value.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED STATEMENTS OF EARNINGS
TECHNE CORPORATION AND SUBSIDIARIES

	YEAR ENDED JUNE 30,		
	2002	2001	2000
Net sales	$130,900,395	$115,356,562	$103,838,155
Cost of sales	32,507,846	28,424,906	26,750,650
Gross margin	98,392,549	86,931,656	77,087,505
Operating expenses:			
Selling, general and administrative	19,554,195	17,714,215	17,315,131
Research and development	17,470,267	14,522,233	11,198,309
Amortization of intangible assets (Note A)	8,549,246	8,889,254	9,229,250
Litigation settlement (Note F)	17,500,000	--	--
Interest expense	1,320,479	1,381,276	1,441,272
Interest income	(3,737,307)	(3,383,698)	(1,508,254)
	60,656,880	39,123,280	37,675,708
Earnings before income taxes	37,735,669	47,808,376	39,411,797
Income taxes (Note H)	10,606,000	13,763,000	12,829,000
Net earnings	$ 27,129,669	$ 34,045,376	$ 26,582,797
Earnings per share:			
Basic	$ 0.65	$ 0.82	$ 0.65
Diluted	$ 0.64	$ 0.80	$ 0.63
Weighted average common shares outstanding:			
Basic	41,507,727	41,438,670	40,625,482
Diluted	42,522,664	42,668,236	42,206,042

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS
TECHNE CORPORATION AND SUBSIDIARIES

	JUNE 30,	
	2002	2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 26,392,480	$ 21,267,791
Short-term available-for-sale investments (Note A)	70,671,341	75,804,077
Trade accounts receivable, less allowance for doubtful accounts of $263,000 and $126,000, respectively	16,913,002	15,894,048
Interest receivable	2,500,616	2,428,240
Inventories (Note C)	6,077,035	5,437,594
Deferred income taxes (Note H)	3,762,000	2,720,000

Prepaid expenses	915,854	639,759
Income taxes receivable	1,845,421	--
Total current assets	129,077,749	124,191,509
Property and equipment, net (Note D)	70,312,602	49,193,972
Intangible assets, net (Note A)	18,897,000	27,446,246
Deferred income taxes (Note H)	9,400,000	4,128,000
Other long-term assets (Notes A and F)	10,559,608	10,565,386
	$238,246,959	$215,525,113

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	$ 4,326,359	$ 3,477,072
Salaries, wages and related accounts	2,873,505	2,302,553
Other accounts payable and accrued expenses	6,480,023	6,155,189
Income taxes payable	--	3,071,982
Current portion of long-term debt (Note E)	949,637	884,760
Total current liabilities	14,629,524	15,891,556
Royalty payable	--	3,923,000
Long-term debt, less current portion (Note E)	17,100,652	18,050,289
Commitments and contingencies (Note F)	--	--
Stockholders' equity (Note G):		
Undesignated capital stock, no par; authorized 5,000,000 shares; none issued or outstanding	--	--
Common stock, par value $.01 a share; authorized 100,000,000 shares; issued and outstanding 41,562,136 and 41,432,390 shares, respectively	415,621	414,324
Additional paid-in capital	58,584,103	57,382,636
Retained earnings	147,369,149	121,209,686
Accumulated other comprehensive income (loss)	147,910	(1,346,378)
Total stockholders' equity	206,516,783	177,660,268
	$238,246,959	$215,525,113

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
TECHNE CORPORATION AND SUBSIDIARIES

<TABLE>
<CAPTION>

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUM. OTHER COMPRE-HENSIVE INCOME (LOSS)	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balances at June 30, 1999	40,265,310	$402,653	$34,324,255	$ 62,058,879	$ 52,600	$ 96,838,387
Comprehensive income:						
Net earnings	--	--	--	26,582,797	--	26,582,797
Other comprehensive loss, net of tax:						
Foreign currency trans-lation adjustments	--	--	--	--	(514,716)	(514,716)
Comprehensive income						26,068,081
Common stock issued:						
Exercise of options (Note G)	1,129,630	11,296	6,765,125	--	--	6,776,421

Fair value of warrants issued (Note G)	--	--	858,000	--	--	858,000
Surrender and retirement of stock to exercise options (Note K)	(12,942)	(129)	64	(305,446)	--	(305,511)
Tax benefit from exercise of stock options	--	--	10,910,000	--	--	10,910,000
Balances at June 30, 2000	41,381,998	413,820	52,857,444	88,336,230	(462,116)	141,145,378
Comprehensive income:						
Net earnings	--	--	--	34,045,376	--	34,045,376
Other comprehensive loss, net of tax:						
Foreign currency translation adjustments	--	--	--	--	(884,262)	(884,262)
Comprehensive income						33,161,114
Common stock issued:						
Exercise of options (Note G)	90,616	906	822,540	--	--	823,446
Surrender and retirement of stock to exercise options (Note K)	(224)	(2)	--	(8,552)	--	(8,554)
Repurchase and retirement of common stock	(40,000)	(400)	--	(1,163,368)	--	(1,163,768)
Sale of stock by equity method investee (Note A)	--	--	3,387,652	--	--	3,387,652
Tax benefit from exercise of stock options	--	--	315,000	--	--	315,000
Balances at June 30, 2001	41,432,390	414,324	57,382,636	121,209,686	(1,346,378)	177,660,268
Comprehensive income:						
Net earnings	--	--	--	27,129,669	--	27,129,669
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	--	--	--	--	1,494,288	1,494,288
Comprehensive income						28,623,957
Common stock issued:						
Exercise of options (Note G)	167,400	1,674	555,467	--	--	557,141
Surrender and retirement of stock to exercise options (Note K)	(7,654)	(77)	--	(224,891)	--	(224,968)
Repurchase and retirement of common stock	(30,000)	(300)	--	(745,315)	--	(745,615)
Tax benefit from exercise of stock options	--	--	646,000	--	--	646,000
Balances at June 30, 2002	41,562,136	$415,621	$58,584,103	$147,369,149	$ 147,910	$206,516,783

</TABLE>

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (NOTE K)
TECHNE CORPORATION AND SUBSIDIARIES

	YEAR ENDED JUNE 30,		
	2002	2001	2000
Cash flows from operating activities:			
Net earnings	$ 27,129,669	$ 34,045,376	$ 26,582,797
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	12,687,915	12,737,448	12,651,350
Deferred income taxes	(6,292,000)	(508,000)	(1,157,000)
Other	2,445,232	919,722	(404,042)

Change in current assets and current liabilities:			
(Increase) decrease in:			
Trade accounts and interest receivable	(855,339)	(3,036,047)	(2,141,023)
Inventories	(560,517)	(846,902)	986,120
Prepaid expenses	(210,042)	(153,452)	(9,850)
Increase (decrease) in:			
Trade and other accounts payable	(2,829,566)	(2,867,638)	(2,898,880)
Salaries, wages and related accounts	553,404	(680,839)	695,184
Income taxes payable/receivable	(4,401,529)	6,762,043	4,434,747
Total adjustments	537,558	12,326,335	12,156,606
Net cash provided by operating activities	27,667,227	46,371,711	38,739,403
Cash flows from investing activities:			
Real estate deposits	(1,999,000)	--	(2,001,000)
Additions to property and equipment	(22,276,262)	(6,814,953)	(30,367,862)
Purchase of short-term available-for-sale investments	(64,679,571)	(57,177,268)	(39,569,406)
Proceeds from sale of short-term available-for-sale investments	69,812,307	23,841,374	13,445,879
Increase in other long-term assets	(3,259,103)	(500,000)	(1,552,160)
Net cash used in investing activities	(22,401,629)	(40,650,847)	(60,044,549)
Cash flows from financing activities:			
Issuance of common stock	332,173	814,892	6,470,910
Repurchase of common stock	(745,615)	(1,163,768)	--
Proceeds from issuance of long-term debt	--	--	20,400,000
Payments on long-term debt	(884,760)	(824,315)	(640,636)
Net cash (used in) provided by financing activities	(1,298,202)	(1,173,191)	26,230,274
Effect of exchange rate changes on cash and cash equivalents	1,157,293	(635,990)	(338,488)
Net increase in cash and cash equivalents	5,124,689	3,911,683	4,586,640
Cash and cash equivalents at beginning of year	21,267,791	17,356,108	12,769,468
Cash and cash equivalents at end of year	$ 26,392,480	$ 21,267,791	$ 17,356,108

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
TECHNE CORPORATION AND SUBSIDIARIES

Years Ended June 30, 2002, 2001 and 2000

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

DESCRIPTION OF BUSINESS: TECHNE Corporation and Subsidiaries (the Company) are engaged domestically in the development and manufacture of biotechnology products and hematology calibrators and controls. These activities are primarily conducted through its wholly owned subsidiary, Research and Diagnostic (R&D) Systems, Inc. Through its wholly owned English subsidiary, R&D Systems Europe Ltd., the Company distributes biotechnology products throughout Europe. R&D Systems Europe Ltd. has a sales subsidiary, R&D Systems GmbH, in Germany. The Company also had a foreign sales corporation, Techne Export Inc., which was dissolved in fiscal 2002.

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

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

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

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

REVENUE RECOGNITION: The Company recognizes revenues upon shipment of products. Revenues are reduced to reflect estimated returns. Freight charges to customers are included in net sales and freight costs are included in cost of sales.

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.

EARNINGS PER SHARE: The number of shares used to calculate earnings per share are as follows:

	YEAR ENDED JUNE 30,		
	2002	2001	2000
Weighted average common shares outstanding (basic)	41,507,727	41,438,670	40,625,482
Dilutive stock options and warrants outstanding	1,014,937	1,229,566	1,580,560
Weighted average common shares outstanding (diluted)	42,522,664	42,668,236	42,206,042

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

SHORT-TERM INVESTMENTS: Short-term investments consist of bonds with original maturities of generally three months to three years.

The Company reports marketable securities at fair market value. Unrealized gains and losses on available-for-sale securities are excluded from income, but are included in other comprehensive income. The Company considers all of its marketable securities available-for-sale. Fair market values are based on quoted market prices.

Proceeds from maturities and sales of available-for-sale securities were $69,812,307, $23,841,374 and $13,445,879 during fiscal 2002, 2001 and 2000, respectively. There were no material gross realized gains or losses on these sales. Realized gains and losses are determined on the specific identification method. Unrealized gains and losses at June 30, 2002, 2001 and 2000 were not material.

INVENTORIES: Inventories are stated at the lower of cost (first-in, first-out method) or market.

DEPRECIATION AND AMORTIZATION: Equipment is depreciated using the straight-line method over an estimated useful life of five years. Buildings, building

improvements and leasehold improvements are amortized over estimated useful lives of five to forty years.

INTANGIBLES: Intangible assets related to the acquisition of Genzyme Corporation's research products business in fiscal 1999 and Amgen Inc.'s research reagent and diagnostic kit business in fiscal 1992 are amortized on a straight-line basis over the estimated useful lives and consist of the following:

		JUNE 30,	
	USEFUL LIFE	2002	2001
Customer list	10 years	$18,010,000	$18,010,000
Technology licensing agreements	16 years	500,000	500,000
Goodwill	6 years	39,075,089	39,075,089
		57,585,089	57,585,089
Less accumulated amortization		38,688,089	30,138,843
		$18,897,000	$27,446,246

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

INVESTMENTS: The Company's accounting policy is to recognize gains arising from issuances of stock by subsidiaries or equity method investees as a component of stockholders' equity for all issuances that meet the conditions of SEC Staff Accounting Bulletin (SAB) No. 51., ACCOUNTING FOR THE SALE OF STOCK BY A SUBSIDIARY.

The Company has an interest in the issued and outstanding voting shares of ChemoCentryx, Inc. (CCX), a technology and drug development company. The Company accounts for this investment under the equity method of accounting and through January 2001 had a 49% interest in CCX. Through January 2001, the Company included 100% of the operating results of CCX in its consolidated financial statements due to the limited amount of cash consideration provided by the holders of the common shares of CCX. In February 2001, CCX obtained $23 million in financing through the issuance of 8,846,154 shares of preferred stock. The Company currently holds approximately 26% of the outstanding voting stock of CCX and is including CCX operating results in its consolidated financial statements based on its ownership percentage. The Company's net investment in CCX, which is included in other long-term assets, was $5,091,046 and $6,441,481 at June 30, 2002 and 2001, respectively.

On August 2, 2001, the Company made an equity investment of $3 million in Discovery Genomics, Inc. (DGI). DGI holds licenses from the University of Minnesota to develop technologies used for functional genomics and the discovery of drug targets. The Company holds a 39% equity interest in DGI and accounts for this investment under the equity method of accounting. The Company's net investment in DGI, which is included in other long-term assets, was $2,494,985 at June 30, 2002.

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

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

NEW ACCOUNTING PRONOUNCEMENTS: In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141, BUSINESS COMBINATIONS and SFAS No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS. SFAS No. 141 applies to all business combinations initiated after June 30, 2001 and prohibits the use of the pooling-of-interests method of accounting. There are also transition provisions provided that apply to business combinations completed before July 1, 2001 that were accounted for using the purchase method. Under SFAS No. 142, goodwill as well as other intangibles determined to have an infinite life will no longer be amortized; however, these assets will be reviewed for impairment on a periodic basis. SFAS No. 142 also includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairments of goodwill. The Company adopted SFAS No. 142 on July 1, 2002. The Company has six months from the date it initially applies SFAS No. 142 to complete an initial goodwill impairment test. The Company is currently assessing, but has not yet determined, if a cumulative effect adjustment will be required upon adoption. As of June 30, 2002, the Company had net goodwill and other intangible assets of approximately $12.6 million and $6.3 million, respectively. Amortization expense recorded during fiscal 2002, 2001, and 2000 was approximately $8.5 million, $8.9 million and $9.2 million, respectively.

In June 2001, the FASB issued SFAS No. 143, ACCOUNTING FOR ASSET RETIREMENT OBLIGATIONS. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or the normal operations of a long-lived asset, except for certain obligations of lessees. SFAS No. 143 is effective for the Company in fiscal 2003. Management believes that the adoption of SFAS No. 143 will not have a material impact on the Company's financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS. SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No 121, ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS AND FOR LONG-LIVED ASSETS TO BE DISPOSED OF, and the accounting and reporting provisions of APB Opinion No. 30, REPORTING THE RESULTS OF OPERATIONS-REPORTING THE EFFECTS OF DISPOSAL OF A SEGMENT OF A BUSINESS, AND EXTRAORDINARY, UNUSUAL AND INFREQUENTLY OCCURRING EVENTS AND TRANSACTIONS, for the disposal of a segment of a business (as previously defined in that Opinion). SFAS No. 144 is effective for the Company in fiscal 2003. Management believes that the adoption of SFAS No. 144 will not have a material impact on the Company's financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, RESCISSION OF FASB STATEMENTS NO. 4, 44, AND 64, AMENDMENT OF FASB STATEMENT NO. 13, AND TECHNICAL CORRECTIONS. SFAS No. 145 will be effective for the Company on July 1, 2002. Management believes that the adoption of SFAS No. 145 will not have a material impact on the Company's financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, ACCOUNTING FOR COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES. SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, LIABILITY RECOGNITION FOR CERTAIN EMPLOYEE TERMINATION BENEFITS AND OTHER COSTS TO EXIT AN ACTIVITY (INCLUDING CERTAIN COSTS INCURRED IN A RESTRUCTURING). SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF 94-3, a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 will be effective for exit or disposal activities that are initiated by the Company after December 31, 2002.

B. PROPERTY ACQUISITION:

On March 15, 2002, the Company purchased property adjacent to its Minneapolis facility for approximately $8.9 million. In fiscal 2000, the Company paid $2 million and issued warrants to purchase 120,000 shares of common stock as a deposit on the acquisition. The warrants were valued at $858,000. The remaining

$6 million purchase price was financed through cash on hand.

C. INVENTORIES:

Inventories consist of:

	JUNE 30, 2002	2001
Raw materials	$2,785,949	$2,552,179
Finished goods	3,172,191	2,749,820
Supplies	118,895	135,595
	$6,077,035	$5,437,594

D. PROPERTY AND EQUIPMENT:

Property and equipment consist of:

	JUNE 30, 2002	2001
Cost:		
Land	$ 1,571,000	$ 871,000
Buildings and improvements	63,541,408	47,012,870
Building construction in progress	7,728,660	1,894,121
Laboratory equipment	16,694,898	15,023,754
Office and computer equipment	4,263,512	3,833,730
Leasehold improvements	497,087	459,191
	94,296,565	69,094,666
Less accumulated depreciation and amortization	23,983,963	19,900,694
	$70,312,602	$49,193,972

E. DEBT:

The Company's short-term line of credit facility consists of an unsecured line of credit of $750,000 at June 30, 2002. The line of credit expires on October 31, 2002. The interest rate charged on the line of credit is at the prime rate of 4.75% at June 30, 2002. There were no borrowings on the line outstanding as of June 30, 2002 and 2001.

Long-term debt consists of:

	JUNE 30, 2002	2001
Mortgage note, payable in monthly installments of $183,631 including interest	$18,050,289	$18,935,049
Less current portion	949,637	884,760
	$17,100,652	$18,050,289

The interest rate on the mortgage note is fixed at 7% through July 2006 and is thereafter adjusted based on U.S. Treasury rates.

Principal maturities of long-term debt as of June 30, 2002 are as follows:

YEAR ENDING JUNE 30:	
2003	$ 949,637
2004	1,016,017
2005	1,093,772
2006	1,173,975

2007	1,260,058
Thereafter	12,556,830
	$18,050,289

F. COMMITMENTS AND CONTINGENCIES:

The Company leases buildings, vehicles and various data processing, office and laboratory equipment under operating leases. These leases provide for renewal or purchase options during or at the end of the lease periods. At June 30, 2002, aggregate net minimum rental commitments under noncancelable leases having an initial or remaining term of more than one year are payable as follows:

YEAR ENDING JUNE 30:	
2003	$ 481,180
2004	457,254
2005	439,767
2006	434,501
2007	399,801
Thereafter	3,515,011
	$ 5,727,514

Total rent expense was approximately $406,000, $337,000 and $305,000 for the years ended June 30, 2002, 2001 and 2000, respectively.

In fiscal 1999, the Company entered into an option agreement for real estate adjacent to its R&D Systems; facility. The purchase price for the property under the option is $7 million plus capital improvement costs. This option expires on January 1, 2005 and required a nonrefundable deposit of $2 million. A deposit of $1,000 was made on this option in fiscal 2000 with the remainder of the deposit made on March 15, 2002. The deposit is included in other long-term assets.

In fiscal 2000, Amgen, Inc. had presented invoices in the amount of $28 million for materials provided to the Company over past years, allegedly pursuant to a contract under which no accounting or invoices were rendered for nine years. The Company brought a declaratory judgement action seeking to have the court declare that no amount was owed on the invoices. Amgen, Inc. filed a counterclaim seeking the $28 million plus interest and attorneys fees. On May 30, 2002, the parties agreed to a $17.5 million full, complete and final cash settlement of the dispute. The settlement was paid prior to June 30, 2002.

Portions of the Company's short-term available-for-sale investments were held in brokerage accounts carried by a clearing firm which in September 2001 was placed in bankruptcy. In October 2001, the trustee appointed pursuant to the Securities Investor Protection Act released to the Company cash and securities representing approximately 90% of the total value of the accounts and has withheld securities and cash equivalents in the amount of approximately $3.5 million pending resolution of the bankruptcy proceeding. The Company has been notified by the trustee that an additional distribution of securities of approximately $2.5 million would be made to the Company subsequent to June 30, 2002. Management believes that all of its securities and cash equivalents will be returned to the Company as the trustee has available the assets of customers' accounts, SIPC insurance and third party insurance. Accordingly, no impairment loss has been recognized at this time.

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 operations of the Company.

G. STOCKHOLDERS' EQUITY:

STOCK OPTION PLANS: The Company has stock option plans which provide for the

granting of stock options to employees (the TECHNE Corporation 1997 and 1987 Incentive Stock Option Plans) and to employees, officers, directors and consultants (the TECHNE Corporation 1998 and 1988 Nonqualified Stock Option Plans). The plans are administered by the Board of Directors, or a committee designated by the Board, which determines the persons who are to receive awards under the plans, the number of shares subject to each award and the term and exercise price of each option. The maximum term of options granted under all plans is ten years. The number of shares of common stock authorized to be issued is 3,200,000, 3,200,000, 1,600,000 and 2,000,000 under the TECHNE Corporation 1997 Incentive Stock Option Plan, the TECHNE Corporation 1987 Incentive Stock Option Plan, the TECHNE Corporation 1998 Nonqualified Stock Option Plan and the TECHNE Corporation 1988 Nonqualified Stock Option Plan, respectively.

Stock option activity during the three years ended June 30, 2002 consists of the following:

	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at June 30, 1999	2,315,666	$ 5.43
Granted	231,304	17.93
Exercised	(1,129,630)	6.00
Outstanding at June 30, 2000	1,417,340	7.02
Granted	593,098	38.23
Canceled	(15,348)	37.44
Exercised	(90,616)	9.09
Outstanding at June 30, 2001	1,904,474	16.40
Granted	33,108	29.42
Canceled	(24,104)	36.50
Exercised	(167,400)	3.33
Outstanding at June 30, 2002	1,746,078	17.62
Options exercisable at June 30:		
2000	1,298,338	6.55
2001	1,804,328	15.76
2002	1,684,860	17.22

Currently outstanding and exercisable stock options at June 30, 2002 consist of the following:

	OPTIONS OUTSTANDING		
EXERCISE PRICES	OUTSTANDING	WEIGHTED AVG. CONTRACTUAL LIFE (YRS.)	WEIGHTED AVG. EXERCISE PRICE
$ 2.69-10.00	961,174	3.58	$ 5.35
10.01-20.00	205,498	5.92	18.02
20.01-36.50	517,976	5.33	36.05
50.00-65.00	61,430	8.25	52.94
	1,746,078	4.58	17.62

	OPTIONS EXERCISABLE	
EXERCISE PRICES	EXERCISABLE	WEIGHTED AVG. EXERCISE PRICE
$ 2.69-10.00	961,174	$ 5.35
10.01-20.00	182,282	18.30
20.01-36.50	479,974	36.01
50.00-65.00	61,430	52.94
	1,684,860	17.22

If compensation cost for employee options granted under the Company's stock

option plans had been determined based on the fair value at the grant dates, consistent with the methods provided in SFAS No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION, the Company's net earnings and earnings per share would have been as follows:

	YEAR ENDED JUNE 30,		
	2002	2001	2000
Net earnings:			
As reported	$27,129,669	$34,045,376	$26,582,797
Pro forma	25,998,856	16,624,096	24,817,402
Basic earnings per share:			
As reported	$ 0.65	$ 0.82	$ 0.65
Pro forma	0.63	0.40	0.61
Diluted earnings per share:			
As reported	$ 0.64	$ 0.80	$ 0.63
Pro forma	0.61	0.39	0.59

The fair value of options granted under the Company's stock option plans were estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used: no dividend yield, expected volatility of between 40% and 99%, risk-free interest rates between 4.6% and 6.1% and expected lives between 7 and 10 years.

WARRANTS: In fiscal 2000, the Company issued warrants to purchase 120,000 shares of the Company's common stock at $11.89 per share as a nonrefundable deposit on an option to purchase property adjacent to its R&D Systems' facility. The fair market value of the warrants was $858,000.

H. INCOME TAXES:

The provisions for income taxes consist of the following:

	YEAR ENDED JUNE 30,		
	2002	2001	2000
Earnings before income taxes consist of:			
Domestic	$31,214,045	$42,480,134	$34,354,428
Foreign	6,521,624	5,328,242	5,057,369
	$37,735,669	$47,808,376	$39,411,797
Taxes (benefits) on income consist of:			
Currently payable:			
Federal	$14,408,000	$13,578,000	$ 1,358,000
State	11,000	(1,173,000)	305,000
Foreign	1,855,000	1,513,000	1,396,000
Tax benefit from exercise of stock options	646,000	315,000	10,910,000
Net deferred	(6,314,000)	(470,000)	(1,140,000)
	$10,606,000	$13,763,000	$12,829,000

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

	YEAR ENDED JUNE 30,		
	2002	2001	2000
Computed expected federal income tax expense	$13,207,000	$16,733,000	$13,794,000
State income taxes, net of federal benefit	41,000	(1,138,000)	335,000
Foreign sales corporation	--	(697,000)	(566,000)
Extraterritorial income benefit	(892,000)	--	--
Research and development credits	(406,000)	(563,000)	(605,000)
Tax-exempt interest	(1,005,000)	(887,000)	(318,000)

Other	(339,000)	315,000	189,000
	$10,606,000	$13,763,000	$12,829,000

State income taxes for the year ended June 30, 2001 were affected by a one-time $1.2 million credit as a result of the close-out of pending issues related to a state income tax examination for fiscal years 1996 through 1999.

Deferred income taxes are provided to record the income tax effect of temporary differences between the tax basis and financial reporting basis of assets and liabilities. Temporary differences comprising deferred taxes on the consolidated balance sheets are as follows:

	JUNE 30, 2002	2001
Inventory	$ 2,334,000	$ 1,564,000
Inventory costs capitalized	903,000	735,000
Unrealized profit on intercompany sales	346,000	306,000
Other	179,000	115,000
Current asset	3,762,000	2,720,000
Excess of book over tax intangible asset amortization	8,728,000	3,491,000
Excess of book over tax research expense	246,000	361,000
Excess of book over tax depreciation	603,000	503,000
Other	(177,000)	(227,000)
Noncurrent asset	9,400,000	4,128,000
	$13,162,000	$ 6,848,000

The Company's tax returns are subject to audit by various governmental entities in the normal course of business. The Company does not believe that such audits will have a material impact on the Company's financial position or results of operations.

I. SEGMENT INFORMATION:

The Company has three reportable operating segments based on the nature of products and geographic location: Hematology Division, Biotechnology Division and R&D Systems Europe. The Hematology Division develops and manufactures hematology controls and calibrators for sale world-wide. The Biotechnology Division develops and manufactures biotechnology research and diagnostic products for sale world-wide. R&D Systems Europe distributes Biotechnology Division products throughout Europe. No customer accounted for more than 10% of the Company's revenues for the years ended June 30, 2002, 2001 and 2000.

The accounting policies of the segments are the same as those described in Note A. In evaluating segment performance, management focuses on sales and income before taxes. Sales between segments are made at prices which would approximate transfers to unaffiliated distributors.

Following is financial information relating to the operating segments:

	YEAR ENDED JUNE 30, 2002	2001	2000
External sales			
Hematology	$ 15,570,656	$ 14,710,464	$ 13,575,463
Biotechnology	84,654,661	73,656,405	64,230,320
R&D Systems Europe	30,675,078	26,989,693	26,032,372
Total external sales	$130,900,395	$115,356,562	$103,838,155
Intersegment sales			
Hematology	$ --	$ --	$ --
Biotechnology	16,726,082	15,010,487	13,422,813
R&D Systems Europe	56,880	77,237	135,106

Total intersegment sales	$ 16,782,962	$ 15,087,724	$ 13,557,919
Earnings before taxes			
Hematology	$ 5,094,411	$ 5,057,119	$ 4,483,839
Biotechnology	47,776,492	39,766,406	31,223,230
R&D Systems Europe	6,521,624	5,328,242	5,057,369
Corporate and other	(21,656,858)	(2,343,391)	(1,352,641)
Total earnings before taxes	$ 37,735,669	$ 47,808,376	$ 39,411,797
Interest income			
Hematology	$ 444,749	$ 508,149	$ 322,166
Biotechnology	2,520,245	2,032,596	751,720
R&D Systems Europe	539,228	552,245	376,405
Corporate and other	233,085	290,708	57,963
Total interest income	$ 3,737,307	$ 3,383,698	$ 1,508,254
Depreciation and amortization			
Hematology	$ 315,987	$ 239,909	$ 187,077
Biotechnology	10,780,188	11,028,893	11,135,442
R&D Systems Europe	251,649	174,940	221,272
Corporate and other	1,340,091	1,293,706	1,107,559
Total depreciation and amortization	$ 12,687,915	$ 12,737,448	$ 12,651,350
Capital purchases			
Hematology	$ 831,110	$ 313,936	$ 437,057
Biotechnology	2,332,490	3,472,146	4,122,418
R&D Systems Europe	201,047	655,430	150,471
Corporate and other	18,911,580	2,373,441	25,657,916
Total capital purchases	$ 22,276,227	$ 6,814,953	$ 30,367,862

Corporate and other reconciling items include the results of unallocated corporate expenses and assets, the elimination of profit on intersegment sales, the litigation settlement and the operations of the Company's equity investments in ChemoCentryx, Inc. and Discovery Genomics, Inc.

Following is financial information relating to geographic areas:

	YEAR ENDED JUNE 30,		
	2002	2001	2000
External sales			
United States	$ 80,957,103	$ 71,018,421	$ 62,927,628
Other areas	49,943,292	44,338,141	40,910,527
Total external sales	$130,900,395	$115,356,562	$103,838,155
Long-lived assets			
United States	$ 71,615,578	$ 51,404,348	$ 48,928,147
Other areas	835,381	815,851	374,325
Total long-lived assets	$ 72,450,959	$ 52,220,199	$ 49,302,472

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

J. BENEFIT PLANS:

PROFIT SHARING PLAN: The Company has a Profit Sharing and Savings Plan for non-union U.S. employees, which conforms to IRS provisions for 401(k) plans. The Company may make profit sharing contributions at the discretion of the Board of Directors. Operations have been charged for contributions to the plan of $1,022,000, $810,000 and $787,500 for the years ended June 30, 2002, 2001 and 2000, respectively.

STOCK BONUS PLANS: The Company also has Stock Bonus Plans covering non-union employees. The Company may make contributions to the plans in the form of common stock, cash or other property at the discretion of the Board of Directors. The Company purchases its common stock at market value for contribution to the plans for the years ended June 30, 2002, 2001 and 2000 and operations have been charged $1,081,000, $851,000 and $832,000, respectively.

PERFORMANCE INCENTIVE PROGRAM: Under certain employment agreements with executive officers, the Company recorded bonuses of $98,000, $101,000 and $126,000 for the years ended June 30, 2002, 2001 and 2000, respectively. In addition, options for 3,108, 1,938 and 6,304 shares of common stock were granted to the executive officers during fiscal 2002, 2001 and 2000, respectively.

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

The Company paid and received cash for the following items:

	YEAR ENDED JUNE 30,		
	2002	2001	2000
Income taxes paid	$21,251,320	$ 7,508,196	$ 9,561,485
Interest paid	1,325,640	1,386,085	1,326,009
Interest received	3,664,930	3,748,696	1,626,260

Noncash transactions during the years ended June 30, 2002, 2001 and 2000 consisted of:

In fiscal 2002, stock options for 80,000 shares of common stock were exercised by the surrender of 7,654 shares of common stock at fair market value of $224,968. In fiscal 2001, stock options for 1,000 shares of common stock were exercised by surrender of 224 shares of common stock at fair market value of $8,554. In fiscal 2000, stock options for 77,584 shares of common stock were exercised by surrender of 12,942 shares of common stock at fair market value of $305,511.

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
TECHNE Corporation and Subsidiaries
Minneapolis, Minnesota

We have audited the accompanying consolidated balance sheets of TECHNE Corporation and Subsidiaries (the Company) as of June 30, 2002 and 2001, and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the three years in the period ended June 30, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of TECHNE Corporation and Subsidiaries at June 30, 2002 and 2001 and the results of their operations and cash flows for each of the three years in the period ended June 30, 2002, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
August 13, 2002

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS

Other than "Executive Officers of the Company" which is set forth at the end of Part I of this Form 10-K, the information required by Item 10 is incorporated herein by reference to the sections entitled "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's proxy statement for its 2002 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated herein by reference to the section entitled "Executive Compensation" in the Company's proxy statement for its 2002 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

The 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 2002 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

A. (1) List of Financial Statements.

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

Consolidated Statements of Earnings for the Years Ended June 30, 2002, 2001 and 2000

Consolidated Balance Sheets as of June 30, 2002 and 2001

Consolidated Statements of Stockholders' Equity for the Years

Ended June 30, 2002, 2001 and 2000

Consolidated Statements of Cash Flows for the Years Ended June 30, 2002, 2001 and 2000

Notes to Consolidated Financial Statements for the Years Ended June 30, 2002, 2001 and 2000

Independent Auditors' Report

(2) Financial Statement Schedules.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNT
YEARS ENDED JUNE 30, 2002, 2001 AND 2000

(000's)	Balance at Beginning of Year	Provision Charged/(Credited) to Income	Accounts Written Off	Balance at End of Year
Year ended June 30, 2002:				
Allowance for doubtful accounts	$126	$137	$--	$263
Year ended June 30, 2001:				
Allowance for doubtful accounts	162	29	(65)	126
Year ended June 30, 2000:				
Allowance for doubtful accounts	300	(103)	(35)	162

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
TECHNE Corporation and Subsidiaries
Minneapolis, Minnesota

We have audited the consolidated financial statements of TECHNE Corporation and Subsidiaries (the Company) as of June 30, 2002 and 2001, and for each of the three years in the period ended June 30, 2002, and have issued our report thereon dated August 13, 2002; such consolidated financial statements and report are included in the Company's Fiscal 2002 Annual Report and are incorporated herein by reference. Our audits also included the financial statement schedule of the Company listed in Item 14. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
August 13, 2002

(3) Exhibits.

See Exhibit Index immediately following signature page.

B. Reports on Form 8-K:

No report on Form 8-K was filed during the quarter ended June 30, 2002.

SIGNATURES

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

TECHNE CORPORATION

Date: September 27, 2002 /s/ Thomas E. Oland

By: Thomas E. Oland
Its: President

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

Date	Signature and Title
September 27, 2002	/s/ Thomas E. Oland --- Thomas E. Oland Chairman of the Board, President, Treasurer, Chief Executive Officer, Chief Financial and Accounting Officer and Director
September 27, 2002	/s/ Roger C. Lucas, Ph.D. --- Dr. Roger C. Lucas Vice Chairman and Director
September 27, 2002	/s/ Howard V. O'Connell --- Howard V. O'Connell, Director
September 27, 2002	/s/ G. Arthur Herbert --- G. Arthur Herbert, Director
September 27, 2002	/s/ Randolph C. Steer, Ph.D., M.D. --- Dr. Randolph C. Steer, Director
September 27, 2002	/s/ Lowell E. Sears --- Lowell E. Sears, Director
September 27, 2002	/s/ Christopher S. Henney, Ph.D., D.Sc. --- Dr. Christopher S. Henney, Director
September 27, 2002	/s/ Timothy M. Heaney --- Timothy M. Heaney Vice President, Secretary, General Counsel and Director

CERTIFICATIONS

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 annual report does not contain any untrue statement or 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 annual report;

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

Date: September 27, 2002

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

EXHIBIT INDEX
for Form 10-K for the 2002 Fiscal Year

Exhibit Number	Description
3.1	Restated Articles of Incorporation of Company, as amended to date --incorporated by reference to Exhibit 3.1 of the Company's Form 10-Q for the quarter ended September 30, 2000*
3.2	Restated Bylaws, as amended to date--incorporated by reference to Exhibit 3.2 of the Company's Form 10, dated October 27, 1988*
10.1	Employee Agreement with Respect to Inventions, Proprietary Information, and Unfair Competition with Thomas E. Oland --incorporated by reference to Exhibit 10.2 of the Company's Form 10, dated October 27, 1988*
10.2**	Company's Profit Sharing Plan--incorporated by reference to Exhibit 10.6 of the Company's Form 10, dated October 27, 1988*
10.3**	Company's Stock Bonus Plan--incorporated by reference to Exhibit 10.7 of the Company's Form 10, dated October 27, 1988*
10.4**	1987 Incentive Stock Option Plan--incorporated by reference to Exhibit 10.14 of the Company's Form 10, dated October 27, 1988*
10.5	Form of Stock Option Agreement for 1987 Incentive Stock Option Plan--incorporated by reference to Exhibit 10.15 of the Company's Form 10, dated October 27, 1988*
10.6**	1988 Nonqualified Stock Option Plan--incorporated by reference to Exhibit 10.16 of the Company's Form 10, dated October 27, 1988*
10.7	Form of Stock Option Agreement for Nonqualified Stock Option Plan --incorporated by reference to Exhibit 10.17 of the Company's Form 10, dated October 27, 1988*
10.8	International Distributor Agreement dated October 1, 1991 between Research and Diagnostic Systems, Inc. and Hycel, S.A.-incorporated by reference to Exhibit 28.2 of the Company's Form 8-K dated September 30, 1991, as amended by Forms 8 dated November 1, 1991 and November 25, 1991*
10.9**	Employment Agreement, dated March 6, 1996, with Monica Tsang-- incorporated by reference to Exhibit 10.25 of the Company's Form 10-K for the year ended June 30, 1996*
10.10**	1997 Incentive Stock Option Plan--incorporated by reference to Exhibit 10.24 of the Company's Form 10-K for the year ended June 30, 1997*
10.11	Form of Stock Option Agreement for 1997 Incentive Stock Option Plan--incorporated by reference to Exhibit 10.25 of the Company's Form 10-K for the year ended June 30, 1997*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10.39 Correction/Amendment to Investment Agreement dated April 23, 2002, between Techne Corporation and Discovery Genomics, Inc.

11 Calculation of Earnings Per Share

21 Subsidiaries of the Company:

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

23 Independent Auditors' Consent

99 Certification

- ----------

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

CORRECTION / AMENDMENT TO INVESTMENT AGREEMENT

Parties: Discovery Genomics, Inc. ("DGI")
614 McKinley Place N.E.
Minneapolis, MN 55413

Techne Corporation ("Techne")
614 McKinely Place N.E.
Minneapolis, MN 55413

Roger Lucas
41 East Pleasant Lake Road
North Oaks, MN 55127

Date: April 23, 2002

Recitals: The parties entered into an Investment Agreement on August 2, 2001 (the "Investment Agreement"). The Investment Agreement provided in part that Techne as the holder of all Preferred Shares would initially have the right to elect one half of the members of the board of directors of DGI and that subsequently, if certain financial milestones were not met, Techne would have the right to elect a majority of the members of the board of directors of DGI. The understanding and intent of the parties was that the first of the financial milestones established, i.e., a net loss not in excess of $800,000, was to be measured in the first year of DGI operating largely with funds provided by Techne's investment, i.e., the fiscal year ending June 30, 2002. The milestones established for subsequent periods were intended to be measured in the subsequent fiscal years. An error was made in the Investment Agreement in that the milestones referred to "fiscal 2001" and subsequent fiscal years. The error was repeated in Amended Bylaws and Statement of Designation of Shares of DGI which were intended to implement the parties' understanding and intent. The parties wish to correct the error.

Agreement: The parties hereby amend in part Section 6.8 of the Investment Agreement by deleting the words "(i) a net loss in excess of $800,000 in fiscal 2001, (ii) a net loss in excess of $1,600,000 in fiscal 2002, (iii) a net loss in excess of $1,600,000 in fiscal 2003" and inserting in lieu thereof the following: "(i) a net loss in excess of $800,000 in the fiscal year ending June 30, 2002, (ii) a net loss in excess of $1,600,000 in the fiscal year ending June 30, 2003, (iii) a net loss in excess of $1,600,000 in the fiscal year ending 2004". All other provisions of the Investment Agreement shall remain unchanged. DGI further agrees promptly to take all necessary and appropriate steps to amend its Amended Bylaws and Statement of Designation of Shares to reflect and implement this Amendment / Correction of Investment Agreement.

Discovery Genomics, Inc.

By /s/ John Haaland

Its President & CEO

Techne Corporation

By /s/ Thomas E. Oland

Its President

/s/ Roger Lucas

TECHNE CORPORATION

CALCULATION OF BASIC EARNINGS PER SHARE

	Fiscal Years Ended June 30,		
	2002	2001	2000
Net earnings	$27,129,669	$34,045,376	$26,582,797
Weighted average number of common shares	41,507,727	41,438,670	40,625,482
Net earnings per share	$ 0.65	$ 0.82	$ 0.65

CALCULATION OF DILUTED EARNINGS PER SHARE

	Fiscal Years Ended June 30,		
	2002	2001	2000
Net earnings	$27,129,669	$34,045,376	$26,582,797
Weighted average number of common shares	41,507,727	41,438,670	40,625,482
Dilutive effect of stock options and warrants	1,014,937	1,229,566	1,580,560
Average common and dilutive shares outstanding	42,522,664	42,668,236	42,206,042
Net earnings per share	$ 0.64	$ 0.80	$ 0.63

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-42992, 33-49160, 33-86728, 33-86732, 333-14211, 333-37263, 333-88885 and 333-49962 of Techne Corporation on Form S-8, of our report dated August 13, 2002, included in this Annual Report on Form 10-K of Techne Corporation for the year ended June 30, 2002.

DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
September 27, 2002

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, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. Oland, Chief Executive and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Thomas E. Oland

Chief Executive and Chief
Financial Officer
September 27, 2002