UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)
[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 1999, 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 000-21615

BOSTON BIOMEDICA, INC.
(Exact name of Registrant as Specified in its Charter)

Massachusetts	04-2652826
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
375 West Street, West Bridgewater, Massachusetts	02379-1040
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (508) 580-1900

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

Yes [X] No [ ]

The number of shares outstanding of the Registrant's only class of common stock as of April 30, 1999 was 4,717,816.

Part I. Financial Information

Item 1. Financial Statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

For the Three Months Ended
March 31,

	1999	1998
REVENUE:		
Products	$ 3,456,202	$ 3,063,359
Services	3,388,963	3,209,436
Total revenue	6,845,165	6,272,795
COSTS AND EXPENSES:		
Cost of product sales	1,808,647	1,771,751
Cost of services	2,470,097	2,323,211
Research and development	762,609	432,389
Acquired research and development	-	850,000
Selling and marketing	1,005,271	928,612
General and administrative	1,094,690	1,029,936
Total operating costs and expenses	7,141,314	7,335,899
Loss from operations	(296,149)	(1,063,104)
Interest income	696	24,530
Interest expense	(87,199)	(971)
Loss before income taxes	(382,652)	(1,039,545)
Benefit from income taxes	145,408	395,027
Net loss	$ (237,244)	$ (644,518)
Net loss per share, basic	$ (0.05)	$ (0.14)
Net loss per share, diluted	$ (0.05)	$ (0.14)
Number of shares used to calculate net loss per share		
Basic	4,717,816	4,632,061
Diluted	4,717,816	4,632,061

The accompanying notes are an integral part of the Consolidated Financial Statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	(Unaudited) March 31, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS:		
<S>	<C>	<C>
Cash and cash equivalents	$ 113,286	$ 146,978
Accounts receivable, less allowances of $632,281 in 1999 and $623,710 in 1998	6,151,929	6,086,693
Inventories	6,662,708	6,689,768
Prepaid expense and other	731,678	479,983
Deferred income taxes	842,407	847,268
Total current assets	14,502,008	14,250,690

Property and equipment, net	7,090,702	6,925,423
OTHER ASSETS:		
Goodwill and other intangibles, net	2,754,635	2,809,825
Notes receivable and other	92,548	96,447
	2,847,183	2,906,272
TOTAL ASSETS	$ 24,439,893	$ 24,082,385

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	$ 1,932,434	$ 2,369,495
Accrued compensation	1,013,391	1,284,162
Other accrued expenses	675,225	795,642
Current maturities of long term debt	15,951	15,569
Deferred revenue	690,760	690,760
Total current liabilities	4,327,761	5,155,628
LONG-TERM LIABILITIES:		
Long term debt, less current maturities	5,307,702	3,988,602
Other liabilities	686,971	730,138
Deferred income taxes	137,612	139,363
STOCKHOLDERS' EQUITY:		
Common stock, $.01 par value; authorized 20,000,000 shares in 1999 and 1998; issued and outstanding 4,717,816 in 1999 and 4,667,816 in 1998	47,178	46,678
Additional paid-in capital	16,566,654	16,418,717
Retained earnings	(2,633,985)	(2,396,741)
Total stockholders' equity	13,979,847	14,068,654
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 24,439,893	$ 24,082,385

</TABLE>

The accompanying notes are an integral part of the Consolidated Financial Statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

<TABLE>
<CAPTION>

	For the Three Months Ended March 31,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
<S>	<C>	<C>
Net loss	$ (237,244)	$ (644,518)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	352,911	326,890
Provision for doubtful accounts	(8,005)	50,756
Deferred rent and other liabilities	(43,167)	137,441
Deferred income taxes	3,110	(21,937)

Acquired research and development	-	850,000
Changes in operating assets and liabilities:		
Accounts receivable	(57,231)	607,845
Inventories	27,060	(475,762)
Prepaid expenses	(251,695)	(496,483)
Accounts payable	(437,061)	(266,116)
Accrued compensation and other expenses	(391,188)	(319,099)
Deferred revenue	-	(275,835)
Net cash used in operating activities	(1,042,510)	(526,818)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquired research and development	-	(850,000)
Additions to property and equipment	(463,000)	(803,655)
Advances under notes receivable and other assets	3,899	11,950
Net cash used in investing activities	(459,101)	(1,641,705)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long term debt	1,335,051	-
Repayments of long-term debt	(15,569)	(403)
Proceeds of common stock issued	148,437	39,250
Net cash provided by financing activities	1,467,919	38,847
DECREASE IN CASH AND CASH EQUIVALENTS:	(33,692)	(2,129,676)
Cash and cash equivalents, beginning of period	146,978	2,772,360
Cash and cash equivalents, end of period	$ 113,286	$ 642,684

</TABLE>

The accompanying notes are an integral part of the Consolidated Financial Statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for the interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the consolidated financial statements and footnotes thereto included in the Form 10-K filing for the fiscal year ended December 31, 1998 for Boston Biomedica, Inc. and Subsidiaries ("the Company" or "Boston Biomedica"). Certain prior years' amounts in the consolidated financial statements may have been reclassified to conform to the current year's presentation.

(2) Use of Estimates

In conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses for the periods presented. Such estimates include reserves for uncollectable accounts receivable as well as the net realizable value of its inventory. Actual results could differ from the

estimates and assumptions used by management.

(3) Inventories

Inventories consisted of the following:

	March 31, 1999	December 31, 1998
Raw materials	$2,330,396	$2,407,154
Work-in-process	2,044,748	1,788,399
Finished goods	2,287,564	2,494,215
	$6,662,708	$6,689,768

(4) Segment Reporting and Related Information (all dollar amounts in thousands)

Selected summarized results for the Company's four operating segments are as follows:

Segment revenue:	March 31, 1999	1998
Diagnostics	$ 3,923	$ 3,619
Clinical Laboratory Services	2,205	1,587
Laboratory Instrumentation	1,034	1,198
Other	-	-
Eliminations	(317)	(131)
Total Revenue	$ 6,845	$ 6,273

Segment operating (loss) income:	March 31, 1999	1998
Diagnostics	$ 145	$ (52)
Clinical Laboratory Services	146	69
Laboratory Instrumentation	(133)	(198)
Other	(454)	(32)
Acquired R&D	-	(850)
Total (Loss) Income from Operations	$ (296)	$ (1,063)

(4) Segment Reporting and Related Information (Continued)

Identifiable segment assets:	March 31, 1999	Dec. 31, 1998
Diagnostics	$ 16,403	$ 16,548
Clinical Laboratory Services	2,629	2,348
Laboratory Instrumentation	4,427	4,428
Other	981	758
Total assets	$ 24,440	$ 24,082

(5) Acquired Research and Development

In March 1998, the Company acquired from BioSeq, Inc.("BioSeq"), the sole and exclusive worldwide right to development stage technology, including the use of BioSeq technical information, licensed processes and improvements to develop, manufacture, market and sell or sublicense products or services in the field of human in vitro immunodiagnostics. In accordance with accounting standards for purchased research and development, costs totaling $850,000 were expensed in that period. In September, 1998 the Company acquired 100% of the remaining stock of BioSeq in a purchase transaction. See also the Company's most recent filing on Form 10-K for the year ended December 31, 1998.

(6) Computation of Net Income per Share
- ----------

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share". SFAS 128 establishes a different method of computing net income per share than was required under the provisions of the previous standard-Accounting Principles Board opinion No. 15. The following illustrates the computation of basic and diluted net income per share.

	Quarter Ended March 31,	
	1999	1998
Shares, basic	4,717,816	4,632,061
Net effect of dilutive common stock equivalents-based on treasury stock method using average market price *	-	-
Shares, diluted	4,717,816	4,632,061
Net loss, basic and diluted	$ (237,244)	$ (644,518)
Net loss per share-basic	(0.05)	(0.14)
Net loss per share-diluted	(0.05)	(0.14)

* Potentially dilutive securities of 107,598 and 246,148 were not included in the computation of diluted earnings per share because to do so would have reduced the loss per share for the three months ended March 31, 1999 and 1998, respectively.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

Three Months Ended March 31, 1999 and 1998

Total revenue increased 9.1%, or $572,000, to $6,845,000 for the quarter ended March 31, 1999 from $6,273,000 in the prior year period. This increase was the result of an increase in product sales of 12.8%, or $393,000, to $3,456,000 from $3,063,000 and an increase in service revenue of 5.6%, or $180,000, to $3,389,000 from $3,209,000. The increase in product revenue was primarily the result of an overall sales increase of 9.4% in Quality Control Products, due to continued strong sales of Accurun(R) and custom (OEM) panel products, partially offset by a decline in seroconversion panel sales as a result of fewer ongoing development programs in the in vitro diagnostic test kit industry. Laboratory instruments also showed a significant increase in revenue, primarily related to

contract manufacturing. The increase in service revenue was primarily attributable to the continued growth in nucleic acid (molecular) testing, and immunological testing, partially offset by a decline in service revenue at our Laboratory Instrumentation segment as the previously announced ABX modified contract winded down to completion in the first quarter of 1999.

Gross profit increased 17.8% or $388,000, to $2,566,000 for the current quarter from $2,178,000 in the prior year period. Product gross profit increased 27.6% or $356,000 to $1,648,000 in 1999 from $1,292,000 in the prior year quarter, and product gross profit margin increased to 47.7% of revenue in 1999 from 42.2%. This increase was primarily the result of stronger sales of laboratory instruments in 1999, while fixed costs remained relatively constant, resulting in higher margins. Service gross profit increased 3.7% or $33,000 to $919,000 in 1999 from $886,000 in the prior year, as margins remained relatively steady, declining slightly to 27.1% in 1999 from 27.6% in 1998, on the modest revenue increase discussed above.

Research and development expenses increased 76.4%, or $330,000, to $762,000 for the current quarter from $432,000 in the prior year period. The increase relates to development work on the Company's pressure cycling technology ("PCT"), and increased expenditures in its drug discovery program.

There was a one time accounting charge of $850,000 for the quarter ended March 31, 1998 related to the acquisition of the worldwide exclusive rights to BioSeq, Inc.'s immunodiagnostic research and development technology.

Selling and marketing expenses increased 8.3%, or $77,000, to $1,005,000 for the current quarter from $928,000 in the prior year period. This increase was primarily attributable to increased personnel costs and marketing expenses.

General and administrative expenses increased 6.3%, or $65,000, to $1,095,000 for the current quarter from $1,030,000 in the prior year period. This increase was primarily a result of increased investor relations activities.

The Company generated an operating loss of ($296,000) for the current quarter versus a loss of ($1,063,000) in the prior year period. The decreased loss was primarily a result of the above mentioned one time accounting charge in 1998's first quarter.

Net interest expense of ($87,000) was incurred in 1999 versus an income of $23,000 for the prior year period. The Company completed significant investment in technology and infrastructure during the first half of 1998, thereby utilizing its cash available to invest. Since mid 1998, capital expenditures have been funded primarily through the Company's line of credit.

The Company recorded a tax benefit in both quarters based on the combined federal and state statutory rate of 38%.

Liquidity and Financial Condition

At March 31, 1999, the Company has cash and cash equivalents of approximately $113,000 and working capital of $10,176,000. Trade accounts receivable increased $74,000 or 1% during the quarter as collections lagged expectations. Inventory decreased $27,000 to $6,663,000 as the Company continued to focus its efforts on utilizing existing inventory where possible rather than purchasing raw materials for new products.

The Company has financed its operations to date through cash flow from operations, borrowings from banks and the sale of its common stock. The Company expects its cash flow, working capital, and available borrowings under its revolving line of credit to meet existing operational needs in 1999. The Company has recently received approval for an increased revolving line of credit of $10 million with more liberal financial covenants, which it expects to meet existing operational needs for the foreseeable future. This facility will be collaterized by substantially all assets of the Company (excluding its real estate), with interest based on prime plus 1/4%

Net cash used in operations for the three months ended March 31, 1999 was

$1,042,000 as compared to $527,000 in the prior year period. This decrease in cash flow was primarily attributable to slower cash receipts compared to the prior year.

Cash used in investing activities for the three months ended March 31, 1999 was $459,000 as compared to $1,642,000 in the prior year period. The decrease compared to the prior year was due primarily to a one time technology purchase in the first quarter of 1998, and lower expenditures in 1999 for property and equipment, as the improvements at the Company's Maryland facility were completed in 1998.

Cash provided by financing activities for the three months ended March 31, 1999 was $1,468,000 as compared to $39,000 in the prior year period. The increase was primarily related to the increased debt from the company's revolving line of credit incurred to finance additional working capital needs, and property and equipment additions.

The Company anticipates significant capital expenditures in 1999 to continue as it plans to complete renovations to its manufacturing facility in Massachusetts, as well as implement a fully integrated business information system ("ERP") at all locations. The Company believes that existing cash balances, the borrowing capacity available under the revolving line of credit, and cash generated from operations are sufficient to fund operations and anticipated capital expenditures in 1999. Except for purchase orders in connection with the manufacturing expansion and ERP system, there were no material financial commitments for capital expenditures as of March 31, 1999.

Year 2000 Computer Systems Compliance

The following disclosure is a Year 2000 ("Y2K") readiness disclosure statement pursuant to the Year 2000 Readiness and Disclosure Act.

Boston Biomedica's Year 2000 program is designed to minimize the possibility of serious Year 2000 interruption. Possible Year 2000 worst case scenarios include the interruption of significant parts of the Company's business as a result of internal business system failure or the failure of the business systems of its suppliers, distributors or customers. Any such interruption may have a material adverse impact on the future results of the Company.

In 1997 the Company decided to significantly upgrade its "business systems" (all computer hardware and software used to run its businesses including its operations management, administration and financial systems). Specifications were developed for desired capabilities, including Year 2000 compliance. In 1998 the Company began assessing its Year 2000 exposure and commenced implementation of a plan to achieve Year 2000 readiness. Based on its review to date, the Company believes that its products are Year 2000 compliant.

During the third quarter of 1998, after investigating several alternatives, implementation of an enterprise resource planning system ("ERP system") was started at two of the Company's four sites. The

vendor has certified that the system is Year 2000 compliant. In April 1999, business systems at the other two sites were upgraded to Y2K compliant versions of their existing software at a combined cost of approximately $5,000.

A task force with participants and a site leader at each BBI location has begun reviewing all other infrastructure areas including communications systems, building security systems, and embedded technologies in areas such as laboratory instruments and manufacturing equipment. The Company has also begun to survey major suppliers, distributors, and customers to determine the status and schedule for their Year 2000 compliance. To date, no significant issues have been identified, and the survey is expected to be completed in the third quarter of 1999. Where it believes that a particular supplier's situation poses unacceptable risks, the Company plans to identify an alternative source.

The costs of the readiness program for business systems, other infrastructure areas, and suppliers and distributors are a combination of incremental external spending and use of existing internal resources. In total,

the Company expects to spend less than $150,000 to achieve readiness, of which approximately 60% has been expended to date. This amount is based on the costs to upgrade the existing business systems to Y2K compliant versions, and excludes the costs of implementing the ERP system which is being implemented for reasons beyond Y2K compliance.

Milestones and implementation dates and the costs of BBI's Year 2000 readiness program are subject to change based on new circumstances that may arise or new information becoming available that may change the underlying assumptions or requirements.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements concerning the Company's financial performance and business operations. The Company wishes to caution readers of this Quarterly Report on Form 10-Q that actual results might differ materially from those projected in any forward-looking statements.

Factors which might cause actual results to differ materially from those projected in the forward-looking statements contained herein include the following: inability of the Company to develop the end user market for quality control products; inability of the Company to integrate the business of Source Scientific, Inc. into the Company's business; inability of the Company to grow the sales of Source Scientific, Inc. to the extent anticipated; failure to obtain the renewal and full funding of contracts with National Institutes of Health (NIH), National Heart, Lung and Blood Institute (NHLBI) and other government agencies; the possibility that the Company may not be successful in commercializing current R&D projects, may not have the resources to complete the projects, or that the projects may take longer than expected to complete; inability of the Company to obtain an adequate supply of the unique and rare specimens of plasma and serum necessary for certain of its products; significant reductions in purchases by any of the Company's major customers; the interruption of significant parts of the Company's business as a result of internal business system failure or the failure of the business systems of its suppliers, distributors or customers due to the inability of such systems to properly interpret dates subsequent to December 31, 1999; and the potential insufficiency of Company resources, including capital, human resources, plant and equipment and management systems, to accommodate any future growth. Certain of these and other factors which might cause actual results to differ materially from those projected are more fully set forth under the caption "Risk Factors" in the Company's Registration Statement on Form S-1 (SEC File No. 333-10759) and in its most recent filing on Form 10-K for the year ended December 31, 1998.

Part II. Other Information

Item 4. Submission of Matters to a Vote of Security Holders.

None

Item 6. Exhibits and Reports on Form 8K
(a) Exhibits

Exhibit No.

3.1 Amended and Restated Articles of Organization of the Company**

3.2 Amended and Restated Bylaws of the Company**

4.1 Specimen Certificate for Shares of the Company's Common Stock**

4.2 Description of Capital Stock (contained in the Restated Articles of Organization of the Company filed as Exhibit 3.1)**

27 Financial Data Schedule

- ----------

** In accordance with Rule 12b-32 under the Securities Exchange Act of 1934, as amended, reference is made to the documents previously filed with the Securities and Exchange Commission, which documents are hereby incorporated by reference.

(b) Reports on Form 8K

None

SIGNATURES

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

BOSTON BIOMEDICA, INC.

Date: May 14, 1999 By /s/ KEVIN W. QUINLAN

Kevin W. Quinlan, Chief Financial Officer
(Principal Financial Officer)

BOSTON BIOMEDICA, INC.

EXHIBIT INDEX

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit No.	Reference
<S>	<C>
3.1 Amended and Restated Articles of Organization of the Company	A**
3.2 Amended and Restated Bylaws of the Company	A**
4.1 Specimen Certificate for Shares of the Company's Common Stock	A**
4.2 Description of Capital Stock (contained in the Restated Articles of Organization of the Company filed as Exhibit 3.1)	A**
27 Financial Data Schedule	Filed herewith

</TABLE>

A Incorporated by reference to the Company's Registration Statement on Form S-1 (Registration No. 333-10759)(the "Registration Statement"). The number set forth herein is the number of the Exhibit in said registration statement.

** In accordance with Rule 12b-32 under the Securities Exchange Act of 1934, as amended, reference is made to the documents previously filed with the

Securities and Exchange Commission, which documents are hereby incorporated by reference.

<TABLE> <S> <C>

<ARTICLE> 5

<S> <C>
<PERIOD-TYPE> YEAR
<FISCAL-YEAR-END> DEC-31-1999
<PERIOD-START> JAN-01-1999
<PERIOD-END> MAR-31-1999
<CASH> 113,286
<SECURITIES> 0
<RECEIVABLES> 6,784,210
<ALLOWANCES> 632,281
<INVENTORY> 6,662,708
<CURRENT-ASSETS> 14,502,008
<PP&E> 11,047,557
<DEPRECIATION> (3,956,855)
<TOTAL-ASSETS> 24,439,893
<CURRENT-LIABILITIES> 4,327,761
<BONDS> 5,307,702
<PREFERRED-MANDATORY> 0
<PREFERRED> 0
<COMMON> 47,178
<OTHER-SE> 0
<TOTAL-LIABILITY-AND-EQUITY> 24,439,893
<SALES> 3,456,202
<TOTAL-REVENUES> 6,845,165
<CGS> 1,808,647
<TOTAL-COSTS> 7,141,314
<OTHER-EXPENSES> 0
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 87,199
<INCOME-PRETAX> (382,652)
<INCOME-TAX> 145,408
<INCOME-CONTINUING> 0
<DISCONTINUED> 0
<EXTRAORDINARY> 0
<CHANGES> 0
<NET-INCOME> (237,244)
<EPS-PRIMARY> (0.05)
<EPS-DILUTED> (0.05)

</TABLE>