

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

Form 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 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 No

The number of shares outstanding of the Registrant's only class of common stock as of July 31, 1999 was 4,770,153.

Part I. Financial Information

Item 1. Financial Statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

<TABLE>
<CAPTION>

For the Three Months Ended For the Six Months Ended
June 30, June 30,

	1999	1998	1999	1998
REVENUE:				
<S>	<C>	<C>	<C>	<C>
Products	\$ 3,491,323	\$ 3,316,804	\$ 6,947,525	\$ 6,380,163
Services	3,647,334	3,066,328	7,036,297	6,275,764
Total revenue	7,138,657	6,383,132	13,983,822	12,655,927
COSTS AND EXPENSES:				
Cost of product sales	1,822,537	1,674,837	3,631,184	3,446,588
Cost of services	2,641,555	1,999,019	5,111,652	4,322,230
Research and development	728,452	583,592	1,491,061	1,015,981
Acquired research and development	-	-	-	850,000
Selling and marketing	1,102,546	926,015	2,107,817	1,854,627
General and administrative	1,116,975	983,075	2,211,665	2,013,011
Total operating costs and expenses	7,412,065	6,166,538	14,553,379	13,502,437
(Loss) income from operations	(273,408)	216,594	(569,557)	(846,510)
Interest income	159	3,666	855	28,195
Interest expense	(89,549)	(4,326)	(176,748)	(5,296)
(Loss) income before income taxes	(362,798)	215,934	(745,450)	(823,611)
Benefit from (provision for) income taxes	137,863	(82,055)	283,270	312,972
Net (loss) income	\$ (224,935)	\$ 133,879	\$ (462,180)	\$ (510,639)
Net (loss) income per share, basic	\$ (0.05)	\$ 0.03	\$ (0.10)	\$ (0.11)
Net (loss) income per share, diluted	\$ (0.05)	\$ 0.03	\$ (0.10)	\$ (0.11)
Number of shares used to calculate net income per share				
Basic	4,743,870	4,652,519	4,680,915	4,642,343
Diluted	4,743,870	4,865,593	4,680,915	4,642,343

</TABLE>

See Notes to Consolidated Financial Statements

2

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

<TABLE>
<CAPTION>

	June 30, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS:		
<S>	<C>	<C>
Cash and cash equivalents	\$ 253,610	\$ 146,978
Accounts receivable, less allowances of \$725,693 in 1999 and \$623,710 in 1998	5,328,779	6,086,693
Inventories	6,780,350	6,689,768
Prepaid expense and other	693,177	479,983
Deferred income taxes	900,581	847,268
Total current assets	13,956,497	14,250,690

Property and equipment, net	7,503,731	6,925,423
OTHER ASSETS:		
Goodwill and other intangibles, net	2,698,943	2,809,825
Notes receivable and other	88,552	96,447
	2,787,495	2,906,272
TOTAL ASSETS	\$ 24,247,723	\$ 24,082,385

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 2,007,073	\$ 2,369,495
Accrued compensation	1,350,135	1,284,162
Other accrued expenses	814,527	795,642
Current maturities of long term debt	16,343	15,569
Deferred revenue	-	690,760
Total current liabilities	4,188,078	5,155,628

LONG-TERM LIABILITIES:

Long term debt, less current maturities	5,620,094	3,988,602
Other liabilities	493,802	730,138
Deferred income taxes	167,021	139,363

STOCKHOLDERS' EQUITY:

Common stock, \$.01 par value; authorized 20,000,000 shares in 1999 and 1998; issued and outstanding 4,768,241 in 1999 and 4,667,816 in 1998	47,682	46,678
Additional paid-in capital	16,589,967	16,418,717
Accumulated deficit	(2,858,921)	(2,396,741)
Total stockholders' equity	13,778,728	14,068,654

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 24,247,723	\$ 24,082,385
--	---------------	---------------

</TABLE>

See Notes to Consolidated Financial Statements

3

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

For the Six Months Ended
June 30,

1999	1998
------	------

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (462,180)	\$ (510,639)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	722,090	607,252
Provision for doubtful accounts	54,268	103,036
Deferred rent and other liabilities	(236,336)	132,386
Deferred income taxes	(25,655)	(56,342)
Acquired research and development	-	850,000

Changes in operating assets and liabilities:		
Accounts receivable	703,646	(108,025)
Inventories	(90,582)	(700,592)
Prepaid expenses	(213,194)	(352,074)
Accounts payable	(362,422)	(568,340)
Accrued compensation and other expenses	84,858	(102,742)
Deferred revenue	(690,760)	(364,707)
	-----	-----
Net cash used in operating activities	(516,267)	(1,070,787)
	-----	-----

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquired research and development	-	(850,000)
Additions to property and equipment	(1,189,516)	(1,325,343)
Advances under notes receivable and other assets	7,895	15,813
	-----	-----
Net cash used in investing activities	(1,181,621)	(2,159,530)
	-----	-----

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from long term debt	1,639,862	515,751
Repayments of long-term debt	(7,596)	(6,892)
Proceeds of common stock issued	172,254	72,625
	-----	-----
Net cash provided by financing activities	1,804,520	581,484
	-----	-----

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: 106,632 (2,648,833)

Cash and cash equivalents, beginning of period	146,978	2,772,360
	-----	-----
Cash and cash equivalents, end of period	\$ 253,610	\$ 123,527
	=====	=====

See Notes to 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 and six months ended June 30, 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 Annual Report on Form 10-K for the fiscal year ended December 31, 1998 for Boston Biomedica, Inc. and Subsidiaries ("the Company" or "Boston Biomedica"). Certain prior year 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:

	June 30, 1999	December 31, 1998
Raw materials	\$ 2,658,391	\$ 2,407,154
Work-in-process	1,612,164	1,788,399
Finished goods	2,509,795	2,494,215
	<u>\$ 6,780,350</u>	<u>\$ 6,689,768</u>

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

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

<TABLE>

<CAPTION>

Segment revenue:	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Diagnosics	\$ 4,019	\$ 3,886	\$ 7,942	\$ 7,505
Clinical Laboratory Services	2,464	1,725	4,669	3,311
Laboratory Instrumentation	892	1,006	1,925	2,205
Other	84	-	84	-
Eliminations	(320)	(234)	(636)	(365)
Total revenue	<u>\$ 7,139</u>	<u>\$ 6,383</u>	<u>\$ 13,984</u>	<u>\$ 12,656</u>

</TABLE>

<TABLE>

<CAPTION>

Segment operating (loss) income:	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Diagnosics	\$ 195	\$ 345	\$ 274	\$ 293
Clinical Laboratory Services	134	36	280	105
Laboratory Instrumentation	(215)	(99)	(349)	(297)
Other	(387)	(65)	(775)	(98)
Acquired R&D	-	-	-	(850)
Total (loss) income from operations	<u>\$ (273)</u>	<u>\$ 217</u>	<u>\$ (570)</u>	<u>\$ (847)</u>

</TABLE>

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(4) Segment Reporting and Related Information (Continued)

Identifiable segment assets:	June 30,	Dec. 31,
	1999	1998
Diagnosics	\$ 16,190	\$ 16,548
Clinical Laboratory Services	3,019	2,348
Laboratory Instrumentation	4,060	4,428
Other	979	758
Total assets	<u>\$ 24,248</u>	<u>\$ 24,082</u>

(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 the Company's most recent filing on Form 10-K for the year ended December 31, 1998 for further information.

(6) Computation of Net Income per Share

The following illustrates the computation of basic and diluted net income per share.

<TABLE>

<CAPTION>

	Three Months Ended June 30, 1999		Six Months Ended June 30, 1998	
	1999	1998	1999	1998
Weighted average common stock outstanding	4,743,870	4,652,519	4,680,915	4,642,343
Net effect of dilutive common stock equivalents-based on treasury stock method using average market price *	-	213,074	-	-
	<u>4,743,870</u>	<u>4,865,593</u>	<u>4,680,915</u>	<u>4,642,343</u>
Net (loss) income, basic and diluted	<u>\$ (224,935)</u>	<u>\$ 133,879</u>	<u>\$ (462,180)</u>	<u>\$ (510,639)</u>
Net (loss) income per share	<u>(0.05)</u>	<u>0.03</u>	<u>(0.10)</u>	<u>(0.11)</u>

</TABLE>

* Potentially dilutive securities of 157,678 and 228,875 and 231,602 were not included in the computation of diluted earnings per share for the six months ended June 30, 1999 and 1998 and for the three months ended June 30, 1999, respectively because to do so would have been antidilutive.

(7) The Amended Line of Credit Agreement

Effective June 30, 1999, the Company entered into an amended revolving line of credit agreement (the "Amended Line") with its bank, increasing the facility to \$10 million from \$7.5 million. The Amended Line matures June 30, 2001; bears interest at the Company's option based on either the base rate plus 1/4% or LIBOR plus 2.75%; carries a facility fee of 1/4% per annum, payable quarterly; and is collateralized by substantially all of the assets (excluding real property) of the Company. Borrowings under the Amended Line are limited to commercially standard percentages of accounts receivable, inventory and equipment. The Company had approximately \$460,000 available under the Amended Line as of June 30, 1999.

The Amended Line contains covenants regarding the Company's total liabilities to tangible net worth ratio, minimum debt service coverage ratio, and maximum net loss. The Amended Line further provides for restrictions on the payment of dividends, incurring additional debt, and the amount of capital expenditures.

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

Three Months Ended June 30, 1999 and 1998

Total revenue increased 11.8% or \$756,000 to \$7,139,000 for the three months ended June 30, 1999 from \$6,383,000 in the prior year period. This increase was the result of an increase in product sales of 5.3%, or \$174,000, to \$3,491,000 and an increase in specialty laboratory services of 18.9%, or \$581,000, to \$3,647,000. The increase in product revenue was the result of continued strong sales of quality control products other than OEM panels. The increase in service revenue was the result of significant increases in clinical laboratory testing including nucleic acid (molecular) testing for HIV, Hepatitis C and Lyme Disease.

Gross profit decreased 1.3%, or \$34,000, to \$2,675,000 for the current three months from \$2,709,000 in the prior year period. Overall gross margin decreased to 37.5% from 42.4%. The decrease was primarily attributable to services. The gross margin on services decreased to 27.6% from 34.8%, as the Company used an aggressive pricing strategy to capture a portion of its increased clinical laboratory testing revenue.

Research and development expenses increased 24.8%, or \$145,000, to \$728,000 for the current three months from \$584,000 in the prior year period. The increase is primarily the result of increased spending on development efforts in pressure cycling technology ("PCT"). Also contributing to the increase was continued spending on new molecular tests and Quality Control Products.

Selling and marketing expenses increased 19.1%, or \$177,000, to \$1,103,000 for the current three months from \$926,000 in the prior year period. This increase was primarily the result of increased promotion expenses at BBI Diagnostics.

General and administrative expenses increased 13.5%, or \$133,000, to \$1,117,000 for the current three months from \$984,000 in the prior year period. The increase primarily relates to increased business development and investor relations activities.

Net interest expense was \$89,390 for the current quarter compared to \$660 in 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%.

Six Months Ended June 30, 1999 and 1998

Total revenue increased 10.5%, or \$1,328,000, to \$13,984,000 for the six months ended June 30, 1999 from \$12,656,000 in the prior year period. This increase was the result of an increase in product sales of 8.9%, or \$567,000, to \$6,948,000 and an increase in specialty laboratory services of 12.1%, or \$761,000, to \$7,036,000. The increase in product revenue is due to continued strong Accurun(R) sales and a significant increase in laboratory instrument sales. The increase in specialty laboratory services is primarily attributable to increases in clinical laboratory testing.

Gross profit increased 7.2%, or \$354,000, to \$5,241,000 for the current

six months from \$4,887,000 in the prior year period. The gross profit margin decreased to 37.5% for the current six months versus 38.6% in the prior year period. This decrease is due primarily to lower margins on clinical laboratory testing services.

Research and development expenses increased 46.8%, or \$475,000, to \$1,491,000 for the current six months from \$1,016,000 in the prior year period. The increase is primarily the result of development efforts in PCT and the drug development program as well as additional spending on new molecular tests and Quality Control Products.

8

There was a one time accounting charge of \$850,000, in 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 13.7%, or \$253,000, to \$2,108,000 for the current six months from \$1,855,000 in the prior year period. The increase was attributable primarily to increased promotion expenditures.

General and administrative expenses increased 9.9%, or \$199,000, to \$2,212,000 for the current six months from \$2,013,000 in the prior year period. This increase was a result of increased business development and investor relations activities.

Net interest expense of (\$176,000) was incurred in 1999 versus 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 periods based on the combined federal and state statutory rate of 38%.

Liquidity and Financial Condition

At June 30, 1999, the Company had cash and cash equivalents of approximately \$254,000 and working capital of \$9,768,000. Trade accounts receivable decreased \$704,000 as a result of strong collections in the second quarter. Inventory increased \$91,000 primarily due to a higher level of Basematrix and OEM panel orders at BBI Diagnostics.

The Company has financed its operations to date through cash flow from operations, borrowings from its bank and the sale of its common stock. Effective June 30, 1999, the Company reached agreement with its bank to expand its revolving line of credit to \$10 million (from \$7.5 million). See Footnote 7 regarding the Amended Line. The Company expects its cash flow, working capital, and available borrowings under its Amended Line to meet existing operational and capital needs for the next twelve months.

Net cash used in operations for the six months ended June 30, 1999 was \$516,000 as compared to \$1,071,000 in the prior year period. This increase in cash flow was primarily attributable to stronger cash receipts compared to the prior year as well as reduced raw material purchases.

Cash used in investing activities for the six months ended June 30, 1999 was \$1,182,000 as compared to \$2,160,000 in the prior year period. The cash used relates to expenditures for manufacturing, laboratory and information technology equipment as well as continued improvements at the Company's Massachusetts and Maryland facilities. The 1998 amount includes \$850,000 for acquired research and development. (See Footnote 5 above).

Cash provided by financing activities for the six months ended June 30, 1999 was \$1,805,000 as compared to \$581,000 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 to continue in 1999 and 2000 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. Except for purchase orders in connection with the manufacturing expansion and ERP system, there were no material financial commitments for capital expenditures as of June 30, 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 Company location have reviewed 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 75% 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 that could cause actual results to differ from those projected include the possibility that due to unforeseen management, financial, technical, and other difficulties, reorganization of the Company's corporate structure and management, as discussed in its July 22, 1999 Press Release, may not lead to

increased profitability or R&D program acceleration. Also, the Company may not be able to develop its research and development programs into commercially successful products, or such development may take longer than currently expected. 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 Annual Report on Form 10-K for the year ended December 31, 1998 and its Quarterly Report on Form 10-Q for the period ended March 31, 1999.

10

BOSTON BIOMEDICA, INC.

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

11

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: August 16, 1999

By /S/ Kevin W. Quinlan

Kevin W. Quinlan, President

BOSTON BIOMEDICA, INC.

EXHIBIT INDEX

EXHIBIT INDEX

Exhibit No. -----	Reference -----
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

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>	6-MOS
<FISCAL-YEAR-END>	DEC-31-1999
<PERIOD-START>	JAN-01-1999
<PERIOD-END>	JUN-30-1999
<CASH>	253,610
<SECURITIES>	0
<RECEIVABLES>	6,054,472
<ALLOWANCES>	725,693
<INVENTORY>	6,780,350
<CURRENT-ASSETS>	13,956,497
<PP&E>	11,774,573
<DEPRECIATION>	(4,270,842)
<TOTAL-ASSETS>	24,247,723
<CURRENT-LIABILITIES>	4,188,078
<BONDS>	5,620,094
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	47,682
<OTHER-SE>	0
<TOTAL-LIABILITY-AND-EQUITY>	24,247,723
<SALES>	6,947,525
<TOTAL-REVENUES>	13,983,822
<CGS>	3,631,184
<TOTAL-COSTS>	14,553,379
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	176,748
<INCOME-PRETAX>	(745,450)
<INCOME-TAX>	283,270
<INCOME-CONTINUING>	0
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(462,180)
<EPS-BASIC>	(0.10)
<EPS-DILUTED>	(0.10)

</TABLE>