

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 March 31, 1998, or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-21615

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

Massachusetts 04-2652826

-----  
(State or other (I.R.S. Employer  
Jurisdiction of Identification No.)  
Incorporation or  
Organization)

375 West Street,  
West Bridgewater,  
Massachusetts 02379-1040

-----  
(Address of Principal (Zip Code)  
Executive Offices)

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 April 30, 1998 was 4,645,426.

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,

-----  
1998 1997  
-----

REVENUE:

Products	\$3,063,359	\$2,126,956
Services	3,209,436	2,082,093

Total revenue	6,272,795	4,209,049
COSTS AND EXPENSES:		
Cost of product sales	1,771,751	1,055,422
Cost of services	2,323,211	1,475,532
Research and development	432,389	236,750
Acquired research and development	850,000	-
Selling and marketing	928,612	613,360
General and administrative	1,029,936	679,207
	-----	-----
Total operating costs and expenses	7,335,899	4,060,271
(Loss) income from operations	(1,063,104)	148,778
Interest income, net	23,559	97,486
	-----	-----
(Loss) income before income taxes	(1,039,545)	246,264
Benefit from (provision for) income taxes	395,027	(98,506)
	-----	-----
Net (loss) income	<u>\$ (644,518)</u>	<u>\$ 147,758</u>
Net (loss) income per share, basic	\$ (0.14)	\$ 0.03
Net (loss) income per share, diluted	\$ (0.14)	\$ 0.03

Number of shares used to calculate net income per share		
Basic	4,632,061	4,380,024
Diluted	4,632,061	4,825,582

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

2

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(Unaudited)  
March 31,    December 31,  
-----    -----  
1998        1997  
-----    -----

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 642,684	\$ 2,772,360
Accounts receivable, less allowances of \$515,978 in 1998 and \$446,517 in 1997	4,900,109	5,558,710
Inventories	6,378,583	5,902,821
Prepaid expense and other	784,964	288,481
Deferred income taxes	336,490	328,562
	-----	-----
Total current assets	13,042,830	14,850,934
	-----	-----
Property and equipment, net	5,518,732	4,980,164
OTHER ASSETS:		
Long term investment	1,482,500	1,482,500
Goodwill and other intangibles, net	2,150,662	2,212,220
Notes receivable and other	111,983	124,178
	-----	-----
	3,745,145	3,818,898
	-----	-----
TOTAL ASSETS	<u>\$22,306,707</u>	<u>\$23,649,996</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Current maturities of long term debt	\$ 14,475	\$ 14,878
Accounts payable	1,952,569	2,218,685
Accrued compensation	850,574	1,103,837
Accrued income taxes	--	132,802
Other accrued expenses	565,213	498,247
Deferred revenue	973,189	1,249,024
	-----	-----
Total current liabilities	4,356,020	5,217,473
	-----	-----

LONG-TERM LIABILITIES:

Deferred rent and other liabilities	353,378	215,937
Deferred income taxes	135,324	149,333

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY:

Common stock, \$.01 par value; authorized 20,000,000 shares in 1998 and 1997; issued and outstanding 4,644,676 in 1998 and 4,622,566 in 1997	46,447	46,226
Additional paid-in capital	16,068,078	16,029,049
Retained earnings	1,347,460	1,991,978
	-----	-----
Total stockholders' equity	17,461,985	18,067,253
	-----	-----

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY \$22,306,707 \$23,649,996

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

3

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

For the Three Months  
Ended March 31,

-----  
1998      1997  
-----

CASH FLOWS FROM OPERATING ACTIVITIES:

Net (loss) income	\$ (644,518)	\$ 147,758
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	326,890	166,774
Provision for doubtful accounts	50,756	10,554
Deferred rent and other liabilities	137,441	(26,958)
Deferred income taxes	(21,937)	-
Acquired research and development	850,000	-
Changes in operating assets and liabilities:		
Accounts receivable	607,845	261,243
Inventories	(475,762)	(281,248)
Prepaid expenses	(496,483)	(76,684)
Accounts payable	(266,116)	155,149
Accrued compensation and other expenses	(319,099)	(530,599)
Deferred revenue	(275,835)	227,054
	-----	-----
Net cash (used in) provided by operating activities	(526,818)	53,043
	-----	-----

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquired research and development	(850,000)	-
Additions to property and equipment	(803,655)	(400,362)
Advances under notes receivable and other assets	11,950	(726,175)
	-----	-----
Net cash used in investing activities	(1,641,705)	(1,126,537)
	-----	-----

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayments of long-term debt	(403)	(3,089)
Proceeds of common stock issued	39,250	13,500
	-----	-----
Net cash provided by financing activities	38,847	10,411
	-----	-----

DECREASE IN CASH AND CASH EQUIVALENTS: (2,129,676) (1,063,083)

Cash and cash equivalents, beginning of period	2,772,360	8,082,642
	-----	-----
Cash and cash equivalents, end of period	\$ 642,684	\$ 7,019,559
	=====	=====

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, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. 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, 1997 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. As a result of the completion of the expansion and renovation of the Company's manufacturing and corporate headquarters building in Massachusetts, the useful life of the building to the Company has been increased. Accordingly, the Company extended the asset life of its building from 15 to 30 years.

(3) Inventories

Inventories consisted of the following:

	March 31, 1997	December 31, 1997
	-----	-----
Raw materials.....	\$2,033,040	\$2,033,040
Work-in-process.....	1,190,567	1,190,567
Finished goods.....	2,679,214	2,679,214
	-----	-----
	\$5,902,821	\$5,902,821
	=====	=====

(4) Comprehensive Income

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130) is effective for fiscal years beginning after December 15, 1997. SFAS 130 requires that changes in comprehensive income be

shown in a financial statement that is displayed with the same prominence as other financial statements. The Company adopted SFAS 130 in the first quarter of fiscal year ended December 31, 1998. Adoption of this statement has had no impact on the Company's consolidated financial position and results of operations as comprehensive income (loss) is the same as net income (loss).

(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. Under this agreement, the Company will pay BioSeq an annual royalty based on net sales to customers and sublicensees. The agreement is effective March 20, 1998 and ends on the date the last patent expires, which is approximately 16 years. In accordance with accounting standards for development stage technology, the purchase price, minimum royalty payments and acquisition costs totaling \$850,000, were expensed in the current period.

5

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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,	
	1998	1997
Shares, basic	4,632,061	4,380,024
Net effect of dilutive common stock equivalents-based on treasury stock method using average market price *	-	445,558
Shares, diluted	4,632,061	4,825,582
Net (loss) income, basic and diluted	\$ (644,518)	\$ 147,758
Net (loss) income per share-basic	(0.14)	0.03
Net (loss) income per share-diluted	(0.14)	0.03

\* Potentially dilutive securities of 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, 1998.

6

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

Three Months Ended March 31, 1998 and 1997

Total revenue increased 49.0%, or \$2,064,000, to \$6,273,000 for the quarter ended March 31, 1998 from \$4,209,000 in the prior year period. This increase was the result of an increase in product sales of 44.0%, or \$936,000, to \$3,063,000 from \$2,127,000 and an increase in specialty laboratory services of 54.1%, or \$1,127,000, to \$3,209,000 from \$2,082,000. The inclusion of BBI Source Scientific in first quarter results for the first time added to product and service revenues in the amounts of \$467,000 and \$731,000, respectively. The remaining increase in product revenue was primarily the result of an overall sales increase of 27% in Quality Control Products, due to continued strong sales of new and existing Accurun( and TQS panel products. The remaining increase in service revenue was primarily attributable to the continued growth in molecular testing, immunological testing and strong performance from several new research contracts. Revenue increases were driven primarily by higher volume.

Gross profit increased 29.8% or \$500,000, to \$2,178,000 for the current quarter from \$1,678,000 in the prior year period. Product gross profit increased 20.5% or \$220,000 to \$1,292,000 in 1998 from \$1,072,000 in the prior year quarter, and product gross profit margin declined to 42.2% in 1998 from 50.4%. This decrease was caused by relatively low laboratory instrument sales in 1998, while fixed costs remained relatively high, resulting in lower margins. Service gross profit increased 46.1% or \$280,000 to \$886,000 in 1998 from \$606,000 in the prior year, but margins declined to 27.6% in 1998 from 29.1% in 1997 as a result of higher occupancy costs at the Company's new contract research facility in Gaithersburg, Maryland.

Research and development expenses increased 82.6%, or \$195,000, to \$432,000 for the current quarter from \$237,000 in the prior year period. The increase relates to continued work on the development of BBI Source's PlateMate( plate reader and reflectance reader projects.

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 51.4%, or \$315,000, to \$928,000 for the current quarter from \$613,000 in the prior year period. This increase was primarily attributable to increased personnel costs associated with the expansion of the TQS sales, marketing and technical support staff as well as additions to the clinical laboratory sales staff.

General and administrative expenses increased 51.6%, or \$351,000, to \$1,030,000 for the current quarter from \$679,000 in the prior year period. This increase was primarily a result of the July 1, 1997 acquisition of BBI Source Scientific as well as additional MIS and Human Resource personnel.

The Company generated an operating loss of (\$1,063,000) in the first quarter of 1998 versus an operating profit of \$149,000 during the same period of 1997. The loss was a result of the above mentioned charge to earnings for acquired research and development as well as losses from the Company's laboratory instrumentation and biotech operations.

Net interest income decreased 75.8%, or \$74,000 to \$23,000 for the current quarter from \$97,000 in the prior year period. The Company completed significant investment in technology and infrastructure during 1997 and the first quarter of 1998 thereby lowering the cash and cash equivalents available to invest.

The Company provided taxes at the combined federal and state statutory rate of 38% in the current quarter and 40% in the prior year period.

#### Liquidity and Financial Condition

At March 31, 1998, the Company has cash and cash equivalents of approximately \$643,000 and working capital of \$8,701,000. Trade accounts receivable declined \$608,000 or 10% as first quarter 1998 sales showed their normal decline from their peak fourth quarter level. Inventory grew 8% to \$6,379,000 as the Company moved to stockpile certain strategic plasma and serum for its Quality Control Products.

The Company has financed its operations to date through cash flow from operations, borrowings from banks and sales of equity. With the repayment of debt from the IPO proceeds, the Company expects its cash flow and cash position to meet existing operational needs. In addition, the Company has available to it a \$7.5 million uncollateralized revolving line of credit with its bank should additional needs arise.

Net cash used for operations for the three months ended March 31, 1998 was (\$527,000) as compared to cash provided by operations of \$53,000 in the prior year period. This decrease in cash flow was primarily attributable to the net loss for the period, increased inventory of strategic materials, and payment of year end commissions.

Cash used in investing activities for the three months ended March 31, 1998 was \$1,642,000 as compared to \$1,127,000 in the prior year period. The cash used relates to the acquired BioSeq research and development as described above, as well as continued improvements at its Massachusetts and Maryland facilities.

Cash provided by financing activities for the three months ended March 31, 1998 was \$39,000 as compared to \$10,000 in the prior year period. All of the cash received was from stock options exercised during the period.

The Company anticipates capital expenditures from the expansion of the West Bridgewater facility to be completed early in the third quarter of 1998. The Company also expects to replace its business information software over the next nine months. The Company believes that existing cash balances, the borrowing capacity available under its new revolving line of credit and cash generated from operations are sufficient to fund operations and anticipated capital expenditures for the foreseeable future. Except for purchase orders in connection with the manufacturing expansion, there were no material financial commitments for capital expenditures as of March 31, 1998, and currently there are no material commitments for capital or investment expenditures.

#### Recent Accounting Pronouncements

Statement of Financial Accounting Standards No. 132, "Employers' Disclosure about Pensions and Other Postretirement Benefits" (SFAS 132) is effective for fiscal years beginning after December 15, 1997. SFAS 132 revises employers' disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of those plans. The Company will adopt SFAS 132 in the fiscal year ended December 31, 1998.

#### Year 2000 Computer Systems Compliance

Concerns have been widely expressed regarding the inability of certain computer programs to process date information beyond year 1999. These concerns focus on the impact of the Year 2000 problem on business operations and the potential costs associated with identifying and addressing the problem. The Company is in the process of evaluating and taking steps to deal with the potential impact of this problem in areas under its control, including its products and sources of supply, as well as its operations management, administration and financial systems.

Based on its review to date, the Company believes that its products are "Year 2000 compliant." The Company has confirmed with existing software vendors that year 2000 compliant versions either exist or will be available to upgrade or replace its operations management, administrative and financial systems. The Company plans to begin a program to survey major suppliers to determine the status and schedule for their Year 2000 compliance. Where it believes that a particular supplier's situation poses unacceptable risks, the Company plans to identify an alternative source.

Based upon its review, the Company does not believe that the Year 2000 problem will have a material adverse effect on the Company. However, there can be no assurances that failure to comply with Year 2000 by parties outside its control will not have a material adverse affect on the Company.

#### 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 execute a definitive agreement with ABX Hematologie for the transfer to them of certain service activities in connection with modification of the existing contract and there can be no assurances that ABX will not seek to further modify the relationship in the future; a material adverse change in the business, financial condition or prospects of BioSeq, Inc., an early stage biotechnology company in which the Company has made a significant investment, including inability to develop its technology to the level of commercial utilization; 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; and the potential insufficiency of Company resources, including 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).

9

BOSTON BIOMEDICA, INC.

## Part II. Other Information

### Item 6. Exhibits and Reports on Form 8-K

#### (a) Exhibits

Exhibit No.

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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) \*\*

10.1 Agreement, dated January 17, 1994, between Roche Molecular Systems, Inc. and the Company\*\*

10.2 Exclusive License Agreement, dated December 6, 1994, between the University of North Carolina at Chapel Hill and the Company\*\*

10.3 Contract, dated September 30, 1995, between the National Institutes of Health and the Company (No. 1-AI55273) \*\*

10.4 Contract, dated September 30, 1995, between the National Institutes of Health and the Company (No. 1-AI-55277) \*\*

10.6 Agreement, dated October 1, 1995, between Ajinomoto Co., Inc. and the Company\*\*

10.7 Lease Agreement, dated June 30, 1992, for Rockville, Maryland Facility between Cambridge Biotech Corporation and the Company\*\*

10.8 Lease Agreement, dated July 28, 1995, for New Britain,



Connecticut Facility between MB Associates and the Company\*\*

10.9 Worcester County Institution for Savings Warrant dated December 1, 1995 (No. 1) \*\*

10.10 Worcester County Institution for Savings Warrant dated July 26, 1993 (No. 2) \*\*

10.11 Stock Purchase Agreement, dated June 5, 1990, between G&G Diagnostics Limited Partnership I and the Company, as amended\*\*

10.14 Stock Purchase Agreement, dated April 26, 1996, between Kyowa Medex Co., Ltd. And the Company\*\*

10.15 1987 Non-Qualified Stock Option Plan\*\*++

10.16 Employee Stock Option Plan\*\*++

10.17 Underwriters Warrants, each dated November 4, 1996, between the Company and each of Oscar Gruss & Son Incorporated and Kaufman Bros., L.P. \*\*

10.20 Purchase Agreement, dated October 7, 1996, between BioSeq, Inc. and the Company\*\*

10.21 Warrant Agreement, dated October 7, 1996, between BioSeq, Inc. and the Company\*\*

10.22 Stockholders' Agreement, dated October 7, 1996, between BioSeq, Inc. and the Company\*\*

10.23 License Agreement, dated October 7, 1996, between BioSeq, Inc. and the Company\*\*

10.24.1 Commercial Loan Agreement, dated as of March 28, 1997, between The First National Bank of Boston and the Company\*\*

10

10.25 Asset Purchase Agreement, dated March 26, 1997 between Source Scientific, Inc. and the Company\*\*

10.26 Contract, dated March 1, 1997, between National Cancer Institute and the Company\*\*

10.27 Lease Agreement, dated May 16, 1997, for Gaithersberg, Maryland facility between B.F. Saul Real Estate Investment Trust and the Company

10.28 Lease Agreement, dated January 30, 1995, for Garden Grove, California facility between TR Bell., Cal Corp. and the Company.

21.1 Subsidiaries of the Company

27 Financial Data Schedule

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++ Management contract or compensatory plan or arrangement.

\*\* 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 8-K

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: May 14, 1998

By /s/ Kevin W. Quinlan

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

12

BOSTON BIOMEDICA, INC.  
EXHIBIT INDEX

### EXHIBIT INDEX

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<TABLE>  
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Exhibit No.	Reference	
-----	-----	
<S> <C> <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**
10.1	Agreement, dated January 17, 1994, between Roche Molecular Systems, Inc. and the Company	A**
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- 10.21 Warrant Agreement, dated October 7, 1996, between BioSeq, Inc. and the Company A\*\*

13

- 10.22 Stockholders' Agreement, dated October 7, 1996, between BioSeq, Inc. and the Company A\*\*
- 10.23 License Agreement, dated October 7, 1996, between BioSeq, Inc. and the Company A\*\*
- 10.24.1 Commercial Loan Agreement, as of dated March 28, 1997, between The First National Bank of Boston and the Company C\*\*
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- 10.28 Lease Agreement, dated January 30, 1995, for Garden Grove, California facility between TR Bell., Cal Corp. and the Company. F\*\*
- 21.1 Subsidiaries of the Company F\*\*
- 27 Financial Data Schedule Filed herewith  
</TABLE>

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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.

B Incorporated by reference to the Registration Statement, where the Exhibit was filed as Exhibit No. 10.17 and contained in Exhibit 1.1.

C Incorporated by reference to the Company's Annual Report on Form 10K for the financial year ended December 31, 1996.

D Incorporated by reference to the Company's Quarterly Report on Form 10Q for the fiscal quarter ended March 31, 1997.

E Incorporated by reference to the Company's Quarterly Report on Form 10Q for the fiscal quarter ended June 30, 1997.

F Incorporated by reference to the Company's Annual Report on Form 10K for the financial year ended December 31, 1997.

\* Management contract or compensatory plan or arrangement.

\*\* 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.

14

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