AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 8, 1996
REGISTRATION NO. 333-10759

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BOSTON BIOMEDICA, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MASSACHUSETTS	2835	04-2652826
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	I.R.S. EMPLOYER IDENTIFICATION NUMBER)

---

375 WEST STREET, WEST BRIDGEWATER, MASSACHUSETTS 02379 (508) 580-1900
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

RICHARD T. SCHUMACHER,
PRESIDENT AND CHIEF EXECUTIVE OFFICER
BOSTON BIOMEDICA, INC.
375 WEST STREET
WEST BRIDGEWATER, MASSACHUSETTS 02379
(508) 580-1900
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

STEVEN R. LONDON, ESQ.	PAUL JACOBS, ESQ.
BROWN, RUDNICK, FREED & GESMER	FULBRIGHT & JAWORSKI L.L.P.
ONE FINANCIAL CENTER	666 FIFTH AVENUE
BOSTON, MASSACHUSETTS 02111	NEW YORK, NEW YORK 10103
TEL: (617) 856-8200	TEL: (212) 318-3000
FAX: (617) 856-8201	FAX: (212) 752-5958

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement is declared effective by the Securities and Exchange Commission.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [x]

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR

DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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SUBJECT TO COMPLETION, DATED OCTOBER 8, 1996

PROSPECTUS

- ----------

1,600,000 SHARES

[LOGO]

BOSTON BIOMEDICA, INC.
COMMON STOCK

All of the 1,600,000 shares of Common Stock (the "Common Stock") offered hereby are being sold by Boston Biomedica, Inc. (the "Company").

Prior to this Offering, there has been no public market for the Common Stock of the Company. It is currently estimated that the initial public offering price will be between $8.00 and $10.00 per share. See "Underwriting" for information relating to the determination of the initial public offering price. The Common Stock has been approved for quotation on the Nasdaq National Market under the symbol "BBII."

SEE "RISK FACTORS" BEGINNING ON PAGE 6 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE COMMON STOCK OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE

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	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO COMPANY(2)
Per Share	$	$	$
Total(3)	$	$	$

==========

(1) Excludes the value of warrants to be issued to the Underwriters and a 1% non-accountable expense allowance payable to the Underwriters, of which $40,000 has been paid to date. The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."

(2) Before deducting expenses payable by the Company estimated to be $792,000.

(3) The Company has granted the Underwriters an option, exercisable within 30 days of the date hereof, to purchase up to 240,000 additional shares of Common Stock at the Price to Public less Underwriting Discounts and Commissions to cover over-allotments, if any. If all such additional shares are purchased, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be $_____, $ ____ and $_____, respectively. See "Underwriting."

The shares of Common Stock are offered by the Underwriters named herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that delivery of the certificates representing such shares will be made against payment therefor at the office of Oscar Gruss & Son Incorporated in New York, New York on or about_____, 1996.

OSCAR GRUSS & SON INCORPORATED KAUFMAN BROS., L.P.

THE DATE OF THIS PROSPECTUS IS , 1996.

Information contained herein is subject to completion or amendment. A Registration Statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the Registration Statement becomes effective. This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

Description of photograph:

Under the caption "Total Quality System," there is a collage of the Company's products which are a part of its Total Quality System. In the upper left corner is a photograph of a TQS Qualification Panel, proceeding clockwise to the upper right corner is a photograph of an Accurun 1(R) vial and pipette superimposed over a typical Levey-Jennings daily quality control chart. In the lower right corner is a photograph of a lab technician operating equipment in one of the Company's laboratories, and finally, in the lower left corner, is a photograph of Anti-HIV 1 Western Blots for seven different Company Panel Products.

The BBI logo is a trademark of the Company. Accurun 1(R) is a registered trademark of the Company. Accurun(tm) is a trademark of the Company.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TQS Logo

o TARGETED TO THE EMERGING END-USER MARKET FOR TOTAL INFECTIOUS DISEASE TEST

QUALITY SYSTEM

KIT QUALITY CONTROL

- o USER-FRIENDLY PRODUCTS FOR MONITORING LABORATORY PROFICIENCY, LOT ACCEPTANCE, TROUBLESHOOTING AND TRAINING
- o DESIGNED TO EVALUATE THE KEY ELEMENTS IN THE TESTING PROCESS: TEST KIT, EQUIPMENT AND PERSONNEL
- o ESSENTIAL PRODUCTS IN AN OVERALL QUALITY ASSURANCE PROGRAM

QUALITY CONTROL PRODUCTS FOR INFECTIOUS DISEASE TESTS

- o SEROCONVERSION PANELS, PERFORMANCE PANELS AND SENSITIVITY PANELS FOR THE EVALUATION OF INFECTIOUS DISEASE TEST KITS
- o USED BY TEST KIT MANUFACTURERS AND REGULATORS THROUGHOUT THE WORLD
- o DEVELOPED FROM AN EXTENSIVE INVENTORY OF HUMAN BLOOD SPECIMENS
- o CONTRIBUTING TO THE IMPROVED SENSITIVITY OF INFECTIOUS DISEASE TESTS WORLDWIDE

Photograph of four of the Company's Quality Control Panel Products

Inside Front Cover

Title at top of page reads: "Serving Our Customer's Needs Throughout the Entire Product Life Cycle."

Description of Photograph: Photograph is comprised of a pie chart superimposed over photographs of the Company's products and services. The pie chart has four sections and eight subsections. The four sections refer to the four stages in the test kit life-cycle and are captioned: "R&D," "Regulatory," "Production" and "Marketing." Each subsection has a corresponding photograph of a Company product or service. The eight subsections are captioned: "Performance Panels," "Seroconversion Panels," "Highly Characterized Specimen Bank," "Clinical Trials," "Characterized Disease State Sera," "Basematrix," "Run Controls" and "OEM and Custom Panels."

Underneath the photograph are the words: "Your Partner in Infectious Disease Quality Control" and the Company's logo is to the immediate left.

PROSPECTUS SUMMARY

The following is qualified in its entirety by the more detailed information (including the financial statements and notes thereto) appearing elsewhere in this Prospectus. Unless otherwise indicated, all information in this Prospectus (i) assumes no exercise of the Underwriters' option to purchase from the Company up to 240,000 additional shares of Common Stock to cover over-allotments, if

any, (ii) gives effect to a 1-for-2 reverse stock split with respect to the Common Stock effected in September 1996, (iii) gives effect to certain changes to the Company's Articles of Organization effected in September 1996, and (iv) gives effect to the termination of certain redemption provisions relating to 117,647 shares of Common Stock upon completion of this Offering. Unless the context indicates otherwise, all references to the "Company" are to Boston Biomedica, Inc. and its two wholly-owned subsidiaries, BTRL Contracts and Services, Inc. ("BTRL"), and BBI -- North American Clinical Laboratories, Inc. ("BBI -- NACL"). For a discussion of certain matters that should be considered by purchasers of the Common Stock offered hereby, see "Risk Factors." For the definition of certain technical and scientific terms, see "Glossary."

THE COMPANY

Boston Biomedica, Inc. is a leading worldwide provider of proprietary quality control products for use with in vitro diagnostic test kits ("test kits") for the detection, analysis and monitoring of infectious diseases, including AIDS, Hepatitis and Lyme Disease. These products are used to develop test kits, to permit the monitoring of laboratory equipment and personnel, and to help ensure the accuracy of test results. The Company's products are derived from human plasma and serum using proprietary manufacturing processes. The Company believes its Quality Control Panel products are viewed as the current industry standard for the independent assessment of the performance of HIV and Hepatitis test kits. The Company also manufactures diagnostic test kit components and provides specialty laboratory services, including clinical trials.

To date, the Company has sold its products primarily to test kit manufacturers and regulatory agencies, but it has recently begun selling Quality Control Products directly to the emerging end-user market for quality control products for infectious disease test kits. In late 1994 the Company received United States Food and Drug Administration ("FDA") clearance for Accurun 1(R), its first Quality Control Product designed specifically for end-users, and subsequently has introduced 24 additional Accurun(tm) Quality Control Products. In July 1996, the Company introduced its Total Quality System ("TQS"), a marketing platform that combines Accurun(tm) with other Quality Control Products to provide test kit end-users with the products needed in an overall quality assurance program. TQS products allow end-users to evaluate each of the key elements of the testing process: the test kit, laboratory equipment and laboratory personnel.

The Company's customers include Abbott Diagnostics, Boehringer Mannheim, Chiron, Fujirebio, Hoffman LaRoche, Ortho Diagnostics (Johnson & Johnson) and Sanofi Diagnostics; regulatory agencies such as the United States FDA, the British Public Health Laboratory Service, the French Institut National de la Transfusion Sanguine and the German Paul Ehrlich Institute; and end-users of diagnostic test kits, such as blood banks, hospitals and clinical laboratories.

The increased threat of infectious diseases has created a large and growing market for infectious disease test kits. Venture Planning Group, a medical products research firm, estimates that the worldwide infectious disease test kit market was approximately $2.7 billion in 1995 and will grow to $5.0 billion by 2000. The related market for quality control products for in vitro diagnostic testing for infectious and non-infectious disease totaled approximately $600 million in 1994, according to the Genesis Report Dx, a medical products survey. The Company believes that quality control products for infectious disease test kits currently represent less than five percent of the overall quality control market, primarily as a result of the limited use of such products by end-users.

The Company believes that the market for quality control products for infectious disease test kits will continue to expand, particularly among end-users, primarily as a result of several key factors: (i) increased regulatory scrutiny due to public concern about the dangers of infectious diseases such as AIDS and Hepatitis; (ii) growing recognition of the value of using quality control products to ensure the greatest possible safety of the blood supply, to achieve the earliest possible diagnosis of infection, and to minimize the occurrence of false negative results; (iii) the discovery of new infectious diseases and the development of new treatments for diseases requiring periodic monitoring, such as viral load testing for HIV, Hepatitis B and C and other diseases; and (iv) the emergence of new testing technologies and equipment.

The Company offers three product groups in infectious disease diagnostics: Quality Control Panels, Accurun(tm) Run Controls and Diagnostic Components. These products are used throughout the entire test kit life cycle, from initial research and development, through the regulatory approval process and test kit production, to training, troubleshooting and routine use by end-users. The Company's Quality Control Panels, which combine human blood specimens with comprehensive quantitative data useful for comparative analysis, help ensure that test kits detect the correct analyte (specificity), detect it the same way every time (reproducibility), and detect it at the appropriate levels (sensitivity). The Company's Accurun(tm) Run Controls enable end-users of test kits to confirm the validity of results by monitoring test performance, thereby minimizing false negative test results and improving error detection. In addition, the Company provides Diagnostic Components, which are custom processed human plasma and serum products, to test kit manufacturers.

The Company's specialty clinical laboratory services include both routine and sophisticated infectious disease testing in microbiology, immunology and molecular biology. The Company seeks to focus its specialty laboratory services in advanced areas of infectious disease testing, and provides contract research and clinical trials for domestic and foreign test kit manufacturers.

The Company's strategy is to leverage its scientific capabilities in microbiology, immunology, virology, and molecular biology to (i) capitalize on the emerging end-user market, (ii) develop new products and services, (iii) enhance technical leadership, (iv) capitalize on complementary business operations, and (v) pursue strategic acquisitions and alliances.

The Company believes that it has several competitive advantages that will help it implement its strategy:

- an inventory of approximately 50,000 distinct human blood specimens accumulated since 1986 through its worldwide sources of blood-supply, which enable the Company to quickly respond to market trends;

- the ability to offer specialty laboratory services and conduct clinical trials, which helps it to maintain contact and enhance credibility with test kit manufacturers and regulatory authorities, and allows the Company to remain at the forefront of market trends and customer needs;

- proprietary manufacturing know-how resulting from ten years of experience working with leading worldwide manufacturers in the development of their infectious disease test kits; and

- its reputation as an authority in infectious disease quality control products among test kit manufacturers and regulatory agencies.

The Company, a Massachusetts corporation, was organized in 1978, but did not commence significant operations until 1986. The Company's principal offices are located at 375 West Street, West Bridgewater, MA 02379, and its telephone number is (508) 580-1900.

THE OFFERING

Common Stock Offered	1,600,000 shares(1)
Common Stock to be Outstanding after the Offering	4,290,064 shares(1)(2)
Use of Proceeds	Repayment of indebtedness, capital expenditures, and general corporate purposes, including working capital and potential acquisitions. See "Use of Proceeds."
Proposed Nasdaq National Market Symbol	BBII

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(1) Does not include up to 240,000 shares of Common Stock that may be sold by the Company pursuant to the Underwriters' over-allotment option. See "Underwriting."

(2) Does not include 1,161,057 shares of Common Stock issuable upon exercise of outstanding options and warrants and 14,333 shares of Common Stock issuable upon conversion of an outstanding subordinated convertible note. See "Capitalization" and Notes 6, 10 and 11 of Notes to Consolidated Financial Statements.

SUMMARY CONSOLIDATED FINANCIAL DATA
(In thousands, except per share data)

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993(1)	1994	1995	1995	1996
<S>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:					
Product sales	$3,942	$ 5,982	$ 6,622	$ 3,024	$ 3,946
Service revenue	5,215	4,741	5,649	2,540	2,982
Total revenue	9,157	10,723	12,271	5,564	6,928
Income from operations	312	405	508	104	307
Net income (loss)	142	97	103	(36)	83
Net income (loss) per share(2)(3)	$ 0.06	$ 0.04	$ 0.04	$ (0.01)	$ 0.03
Weighted average common and common equivalent shares outstanding(2)(3)	2,438	2,587	3,151	2,598	3,253

</TABLE>

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	JUNE 30, 1996	
	ACTUAL	PRO FORMA AS ADJUSTED(4)
<S>	<C>	<C>
BALANCE SHEET DATA:		
Working capital	$ 4,497	$ 14,300
Total assets	10,047	19,360
Long term debt, less current maturities	2,798	--
Redeemable common stock	899	--
Total stockholders' equity	3,332	16,831

</TABLE>

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(1) On June 30, 1993, the Company exercised its option to pre-pay the acquisition note issued in connection with the 1992 purchase of BTRL at a discount from the balance due, resulting in an extraordinary gain of $50,000, net of taxes of $33,000. The 1993 net income per share before such extraordinary gain was $0.04.

(2) The effect of the common stock equivalents on net income per common share has been excluded from the calculation for 1993 and 1994 and the six months ended June 30, 1995 as its inclusion was antidilutive.

(3) Pro forma supplementary earnings per share for the year ended December 31, 1995 and the six months ended June 30, 1996 were $.09 and $.06, respectively, based upon an assumed weighted average common and common equivalent shares outstanding of 3,600,007 and 3,701,173, respectively. In accordance with APB Opinion 15, pro forma supplementary earnings per share is presented as if the Company sold on January 1, 1995, 448,530 shares of Common Stock, representing the number of shares of Common Stock required to be sold at the assumed initial public offering price of $9.00 per share in order for the Company to repay the indebtedness outstanding during 1995 as if the Offering had occurred on January 1, 1995. See "Use of Proceeds" and Note 12 of Notes to Consolidated Financial Statements.

(4) Adjusted to reflect: (i) application of the estimated net proceeds from the sale of 1,600,000 shares of Common Stock offered by the Company hereby at an assumed initial public offering price of $9.00 per share, after deducting estimated underwriting discounts and commissions and offering expenses, and (ii) the termination of redemption provisions relating to 117,647 shares of Common Stock upon completion of this Offering.

RISK FACTORS

An investment in the shares of Common Stock offered hereby involves a high degree of risk. In addition to the other information in this Prospectus, the following factors should be considered carefully in evaluating the Company and its business before purchasing the shares of Common Stock offered hereby.

UNDEVELOPED END-USER MARKET FOR QUALITY CONTROL PRODUCTS FOR INFECTIOUS DISEASE TEST KITS

The Company intends to focus its product development and sales and marketing efforts on quality control products for end-users of infectious disease test kits. Currently, most quality control products for infectious disease test kits are sold to test kit manufacturers and regulators. End-users of infectious disease test kits are currently using quality control products only to a very limited extent. See "Business -- Industry Overview." The Company's strategy is based primarily upon significant growth in sales of quality control products to the end-user market. See "Business -- Strategy." There can be no assurance that end-users of infectious disease test kits will increase their use of quality control products, or that the Company will be able to increase its sales of quality control products to such end-users. Clearance or approval by the United States Food and Drug Administration (the "FDA") will be necessary before quality control products may be sold for clinical laboratory use rather than for research purposes only. See "-- Stringent Government Regulation." If the end-user market for quality control products does not develop, or if the Company is unable to increase its sales to this market, the Company's future growth could be materially and adversely affected.

COMPETITION

In sales of both its products and specialty laboratory services, the Company experiences substantial competition and the threat of competition from established and potential competitors, most of which have greater financial, manufacturing and marketing resources than the Company. Competition for customers is intense and depends principally on the ability to provide products of the quality and in the quantity required by customers, as well as the ability to provide sophisticated specialty laboratory services, at competitive prices. The Company currently competes against independent reference laboratories, integrated plasma collection and processing centers and manufacturers of quality controls and other Diagnostic Components. In addition, the Company understands that a leading manufacturer of quality control products for non-infectious diseases recently entered the quality control market for infectious disease test kits. There can be no assurance that other such manufacturers or other companies will not enter this market. The entrance of any of these companies into the

quality control market for infectious disease test kits could have a material adverse effect on the Company, particularly its ability to achieve its strategy to capitalize on the end-user market for quality control products for infectious disease test kits. In addition, certain of the Company's products are derived from donors with rare antibody characteristics. Competition for blood specimens from such donors may increase, which may increase the cost of obtaining such specimens. There can be no assurance that such increased competition will not adversely affect the Company. See "-- Difficulty in Obtaining Certain Raw Materials" and "Business -- Competition."

ABILITY TO MANAGE GROWTH

The Company's future success will depend in part on its ability to manage growth as it increases its production capacity and broadens distribution of its products. To compete effectively and manage future growth, if any, the Company will be required to continue to implement and improve its operational, financial and management information systems, procedures and controls on a timely basis, and to expand, train, motivate and manage its workforce. There can be no assurance that the Company's personnel, systems, procedures and controls will be adequate to support the Company's future operations. The failure to implement new and improved existing operational, financial and management systems or to expand, train, motivate or manage employees could have a material adverse effect on the Company's business, operating results and financial condition. There can be no assurance that the Company will continue to grow or, if it does, that the Company will manage the growth successfully.

FLUCTUATIONS IN QUARTERLY RESULTS OF OPERATIONS

The Company's results of operations have been subject to quarterly fluctuations due to a variety of factors, including customer purchasing patterns and seasonal demand for laboratory testing services. In particular, the Company's sales of its Quality Control Products and Diagnostic Components typically have been highest in the fourth quarter and lowest in the first quarter of each fiscal year. For example, total revenue for the fourth quarter ended December 31, 1994 and 1995 were $3.0 million and $3.8 million compared with total revenue for the first quarter ended March 31, 1995 and 1996 of $2.7 million and $3.1 million. The Company believes that its customers may expend end-of-year budget surpluses in the fourth quarter, thereby causing the Company's fourth quarter product sales to be higher at the expense of first quarter product sales. In addition, demand for laboratory services tends to be somewhat higher in the third and fourth quarters of the fiscal year due to the seasonal nature of Lyme Disease testing, the Company's highest volume test. Moreover, the Company's margins for its different products and services vary, with Quality Control Products generally having the highest margins and Contract Research the lowest. Therefore, the Company's results may vary from period to period as a result of the mix of products and services and the mix among products. As a result, quarterly results of operations may not be indicative of future results of operations. Also, variations in the Company's quarterly results of operations may affect the market price of the Common Stock. See " -- Volatility of Price of Common Stock" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

RISK OF ACQUISITIONS

The Company intends to pursue strategic acquisitions to expand its core product line, strengthen its base in medical science and technology, and secure new sources of blood supply. The Company is subject to various risks associated with an acquisition strategy, including the risk that the Company will be unable to identify and attract suitable acquisition candidates or to integrate and manage any acquired business. The Company will compete for acquisition candidates with companies which have significantly greater financial and management resources than the Company. Acquisitions could place a significant burden on the Company's management and operating personnel. Implementing the Company's expansion strategy may also require significant capital resources. Capital is needed not only for acquisitions, but also for the effective integration, operation and expansion of such businesses. The Company may need to raise capital through the issuance of long-term or short-term indebtedness or the issuance of its securities in private or public transactions, which could

result in dilution of existing equity positions, increased interest and amortization expense or decreased income to fund future expansion. There can be no assurance that acceptable financing for future acquisitions will be available or that the integration of future acquisitions and expansion of existing business can be achieved. See "-- Ability to Manage Growth."

DIFFICULTY IN OBTAINING CERTAIN RAW MATERIALS

The Company manufactures its products from human plasma and serum which the Company obtains from nonprofit and commercial blood centers, primarily in the United States, but also from similar sources throughout the world. Certain of the Company's products, including its Seroconversion and Performance Panels, are comprised of unique and rare plasma specimens obtained from individuals during the short period of time when the disease markers of particular diseases are converting from negative to positive. See "Business -- Products." As a result, the quantity of any such panel is limited, so the Company must replace such panels as they sell out with another panel comprised of specimens equally unique and rare. Competition to obtain such specimens may increase, which may increase the cost of obtaining such products. There can be no assurance that the Company will continue to be successful in obtaining a steady and adequate supply of the unique and rare specimens of plasma and serum necessary for certain of its products. The inability to continue to obtain such specimens, or any significant delays in obtaining such specimens, would have a material adverse effect on the Company. See "-- Competition."

DEPENDENCE ON KEY PERSONNEL

The Company's success depends in large part upon its ability to attract and retain highly qualified scientific and management personnel. The Company competes for such individuals with other companies, academic institutions, government entities and other organizations. There can be no

assurance that the Company will be successful in hiring or retaining requisite personnel. The failure of the Company to recruit and retain qualified scientific and management personnel could have a material adverse effect on the Company. None of the Company's key management or scientific personnel is subject to an employment agreement with the Company. The loss of the services of any such key personnel, including Richard T. Schumacher, President and Chief Executive Officer of the Company, could have a material adverse effect on the Company. The Company maintains key person life insurance on certain of its officers, including Mr. Schumacher, on whose life the Company has $4,750,000 of insurance, $2,000,000 of which has been pledged to the Company's lender. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources," "Business -- Competition" and "Management -- Directors and Executive Officers."

DEPENDENCE ON KEY CUSTOMERS

The Company's three largest customers accounted for an aggregate of approximately 20% of the Company's revenues in 1993, 1994 and 1995 and the six months ended June 30, 1995 and 1996, although the customers were not identical in each period. In addition, the majority of the Company's revenues are based upon purchase orders. None of the Company's customers are contractually committed to make future product purchases from the Company. The loss of any major customer or a material reduction in a major customer's purchases would have a material adverse effect upon the Company.

A single U.S. government services contract accounted for approximately 7.5% and 7.3% of the Company's revenues in 1995 and the six months ended June 30, 1996. This contract is due to expire in February 1997. The Company has responded to a Request for Proposals by the United States government for a new four year contract to replace this contract. There can be no assurance that the Company's response to the Request for Proposals will be accepted by the United States government. Failure to receive the new contract would have a material adverse effect on the Company. See "Business -- Services."

STRINGENT GOVERNMENT REGULATION

The manufacture and distribution of medical devices, including products manufactured by the Company that are intended for in vitro diagnostic use, are subject to extensive government regulation in the United States and in other countries. In the United States, the Food, Drug, and Cosmetic Act (the "FDCA") prohibits the marketing of in vitro diagnostic products until they have been cleared or approved by the FDA, a process that is time-consuming, expensive and uncertain. Once clearance or approval is obtained, the FDA requires additional clearances or approvals for product changes that could affect the safety and effectiveness of the device, including, for example, new indications for use or changes in the design or manufacturing process. Additional clearances or approvals may also be required for changes in claims relating to uses of products. The Company's Accurun Run Controls, when marketed for diagnostic use, have been classified by the FDA as medical devices. The Company has received FDA clearance to market its Accurun 1(R) line for diagnostic purposes. An application for clearance for diagnostic use for one additional Accurun(tm) product has been submitted by the Company to the FDA, and the Company anticipates that applications for approximately 16 additional Accurun(tm) products will be prepared and submitted to the FDA by the end of 1997. There can be no assurance that the Company will obtain regulatory clearances or approvals on a timely basis, if at all, for future products, changes in existing products or changes in claims relating to uses of products. Delays in obtaining or failure to obtain requisite FDA clearances or approvals could have a material adverse effect on the Company.

All of the Company's Quality Control Products with the exception of Accurun 1(R) are marketed "for research use only," which do not require FDA premarket clearance or approval of the product, and not marketed for diagnostic purposes, which do require FDA premarket clearance or approval. The Company's labeling for these products limits their use to research. It is possible, however, that some purchasers of these products may use them for diagnostic purposes despite the Company's intended use. In these circumstances, the FDA could allege that these products should have been cleared or approved by the FDA prior to marketing and initiate enforcement action against the Company, which could have a material adverse effect on the Company. Failure to obtain, or delays in obtaining, FDA clearances or approval would adversely affect the Company's strategy of capitalizing on the end-user market.

The Company believes that its Quality Control Panels are not regulated by the FDA because they are not intended for diagnostic purposes. The Company believes that its Diagnostic Components, which are components of in vitro diagnostic products, may be subject to certain regulatory requirements under the FDCA and other laws administered by the FDA, but do not require that the Company obtain a premarket approval or clearance. There can be no assurance, however, that the FDA would agree or that the FDA will not adopt a different interpretation of the FDCA or other laws it administers, which could have a material adverse effect on the Company.

In addition, both before and after clearance or approval, medical devices, such as Accurun 1(R), are subject to certain export and import requirements under the FDCA.

The Company is also subject to strict FDA good manufacturing practices ("GMP") regulations governing testing, control and documentation, and to other postmarketing restrictions with respect to the manufacture of the Company's medical device products. Ongoing compliance with GMP and other applicable regulatory requirements is monitored through periodic inspections by the regulatory authorities. Failure to comply with GMP or other regulatory requirements can result, among other consequences, in the failure to obtain premarket clearances or approvals, withdrawal of clearances or approvals, total or partial suspension of product distribution, injunctions, civil penalties, recall or seizures of products, and criminal prosecution, each of which would have a material adverse effect on the Company.

Laws and regulations affecting the Company's products are in effect in many of the countries, states and other jurisdictions in which the Company markets or intends to market its products. There can be no assurance that the Company will be able to obtain any required regulatory clearances or approvals on a timely basis, or at all. Delays in receipt of or failure to obtain such clearances or

approvals, or the failure to comply with regulatory requirements in these countries, states or other jurisdictions, could have a material adverse effect on the Company's business, financial condition and results of operations. See "Business -- Government Regulation."

The Company is also subject to other national, state and local laws and regulations, including those relating to the use and disposal of biohazardous, radioactive and other hazardous substances and wastes. Failure to comply with such laws and regulations could have a material adverse effect on the Company's business, financial condition and results of operations. See "Business -- Government Regulation."

FOREIGN RESTRICTIONS ON IMPORTATION OF BLOOD DERIVATIVES

Sales outside the United States in 1993, 1994 and 1995 represented approximately 15%, 21% and 25%, respectively, of the Company's revenues for those years, and 27% in each of the six months ended June 30, 1995 and 1996. Foreign sales are primarily to Western Europe and Japan. Concern over blood safety has led to movements in a number of European and other countries to restrict the importation of blood and blood derivatives, including antibodies. Such restrictions continue to be debated and there can be no assurance that additional restrictions will not be imposed in the future. If imposed, such restrictions could have a material adverse effect on the Company's business.

RISK OF TECHNOLOGICAL CHANGE

The infectious disease test kit industry is characterized by rapid and significant technological change and changes in customer requirements. As a result, the Company's success will be dependent upon its ability to enhance its existing products and to develop or acquire and introduce in a timely manner new products that take advantage of technological advances and respond to customer requirements. There can be no assurance that the Company will be successful in developing and marketing such new products or enhancements to the Company's existing products on a timely basis or that such products will adequately address the changing needs of the marketplace. Furthermore, rapid technological development by the Company or others may result in products or services becoming obsolete or noncompetitive before the Company recovers its investment in research, development and commercialization.

RISK OF BROAD MANAGEMENT DISCRETION IN APPLICATION OF PROCEEDS

A significant portion of the estimated net proceeds from this Offering will be allocated to working capital and general corporate purposes, including potential acquisitions. Accordingly, the Company will have broad discretion as to the application of the net proceeds and may allocate portions of such proceeds to uses which the Company's stockholders may not deem desirable. In October 1996, the Company entered into a License Agreement and Preferred Stock Purchase Agreement ("Purchase Agreement") with BioSeq, Inc. ("BioSeq"), an early stage biotechnology company that is developing a technology for sequencing, synthesizing and characterizing nucleic acids and proteins. See "Business -- Strategic Alliances." Under the Purchase Agreement, the Company has agreed to purchase approximately 19% of the outstanding capital stock of BioSeq for an aggregate of $1,482,500, to be paid in three installments. The Company has paid the first installment of $210,000 and will pay the second installment of $522,500 upon completion of the Offering. The Company intends to use a portion of the proceeds of this Offering to fund the second installment and $210,000 of such proceeds to repay amounts drawn on the Company's revolving line of credit to fund the first installment. The Company must make the remaining $750,000 installment if BioSeq attains certain technical milestones by July 31, 1997. There can be no assurance as to the commercial viability of BioSeq's technology or that the Company will not lose its entire investment in BioSeq. Additionally there can be no assurance that the Company's use of any of the proceeds from the Offering will yield any return. See "Use of Proceeds."

PROTECTION OF INTELLECTUAL PROPERTY AND PROPRIETARY TECHNOLOGY

None of the Company's Quality Control Products or Diagnostic Components have

been patented and the Company does not intend to seek patent protection for such products. The Company's ability to compete effectively with other companies will depend, in part, on its ability to maintain the proprietary nature of its technologies and products and operate without infringing the rights of third parties. The Company relies primarily on a combination of trade secrets and non-disclosure and confidentiality agreements, and in certain limited circumstances, patents, to establish and protect its proprietary rights in its technology and products. There can be no assurance that others will not independently develop or otherwise acquire the same, similar or more advanced trade secrets and know-how.

The Company has two United States patents and, jointly with the University of North Carolina at Chapel Hill ("UNC"), has filed three series of United States and foreign patent applications relating to compounds, pharmaceutical compositions and therapeutic methods in connection with the Company's drug discovery program at the University of North Carolina at Chapel Hill. See "Business -- Services," and " -- Strategic Alliances." There can be no assurance that patent applications will result in issued patents, that issued patents will provide any competitive advantage or that patents will not be challenged, circumvented or invalidated.

Third parties may be issued patents to, or may otherwise acquire the rights to, technology necessary or potentially useful to the Company. The success of the Company is dependent in part upon its not infringing patents or other intellectual property rights of third parties. Litigation relating to the infringement of the patents or other intellectual property rights of others could result in substantial costs to the Company. Litigation which could result in substantial costs to the Company may also be necessary to enforce the Company's intellectual property rights or to determine the scope and validity of the proprietary rights of others. Any such substantial costs would have a material adverse effect on the Company.

UNCERTAINTY RELATED TO HEALTHCARE REFORM; NO ASSURANCE OF ADEQUATE REIMBURSEMENT

Political, economic and regulatory influences are subjecting the healthcare industry in the United States to fundamental change. Although to date Congress has failed to pass comprehensive health care reform legislation, the Company anticipates that Congress and state legislatures will continue to review and assess alternative healthcare delivery and payment systems and may in the future propose and adopt legislation effecting fundamental changes in the healthcare delivery system. Legislative debate is expected to continue in the future. In addition, the private sector has been changing the healthcare industry as well through consolidations and alternatives in healthcare delivery systems. The Company cannot predict what impact the adoption of any federal or state health care reform measures or future private sector reform may have on its industry or business.

In both domestic and foreign markets, sales by the Company's customers of products and services that incorporate or affect the demand for the Company's products may depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers and other organizations. Third-party payors are increasingly challenging the price and cost- effectiveness of medical products and services. There can be no assurance that pricing pressures experienced by the Company's customers will not adversely affect the Company because of a determination that its products are not cost effective or because of inadequate third-party reimbursement levels to such customers. In addition, where the payor for the Company's specialty laboratory services is the patient rather than third-party payors, there is a greater risk of non-payment. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Results of Operations."

RISK OF HAZARDOUS WASTE AND PRODUCT LIABILITY; ABSENCE OF INSURANCE

The Company's manufacturing processes involve the controlled use of biohazardous materials and chemicals. The risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, the Company could be held liable for any damages that result,

and any such liability could exceed the resources of the Company. The Company may incur substantial costs to maintain safety in the use of biohazardous materials and to comply with environmental regulations as the Company further develops its manufacturing capacity. See "Business -- Government Regulation."

Further, the Company's business exposes it to liability risks that are inherent in the testing, manufacturing and marketing of its products. The Company does not currently have product liability insurance. Product liability claims could expose the Company to substantial liabilities and expenses, which could materially and adversely affect the Company.

RISKS ASSOCIATED WITH EXPORT SALES

The Company generated significant sales outside the United States and anticipates that foreign sales will continue to account for a significant percentage of the Company's net revenues. The Company's foreign operations accounted for approximately 15%, 21% and 25% of the Company's total revenues for the years ended December 31, 1993, 1994 and 1995 and approximately 27% in each of the six months ended June 30, 1995 and 1996, and 36%, 38% and 47% of the Company's product sales for the years ended December 31, 1993, 1994 and 1995 and 50% and 48% for each of the six months ended June 30, 1995 and 1996. The Company therefore is subject to risks associated with foreign sales, including United States and foreign regulatory requirements and policy changes, political and economic instability, difficulties in accounts receivable collection, difficulties in managing distributors or representatives and seasonality of sales. Although the Company's sales have been denominated in United States dollars, the value of the United States dollar in relation to foreign currencies may also adversely affect the Company's sales to foreign customers. To the extent that the Company expands its international operations or changes its pricing practices to denominate prices in foreign currencies, the Company will be exposed to increased risks of currency fluctuation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 5 of the Notes to Consolidated Financial Statements.

POSSIBLE ADVERSE EFFECT OF CONTROL BY EXISTING STOCKHOLDERS

Upon consummation of this Offering, Richard T. Schumacher, President and Chief Executive Officer, his relatives and the existing officers and directors of the Company collectively will have voting control over approximately 39% of the outstanding shares of Common Stock. Accordingly, these stockholders, should they choose to act in concert, will be in a position to exercise a significant degree of control over the Company, and to significantly influence stockholder votes on the election of the Company's directors, increasing the Company's authorized capital stock, mergers, and sales of the Company's assets. See "Principal Stockholders."

POSSIBLE ADVERSE EFFECT OF CERTAIN ANTI-TAKEOVER PROVISIONS

Certain provisions of the Company's Amended and Restated Articles of Organization and Restated Bylaws could have the effect of discouraging a third party from pursuing a non-negotiated takeover of the Company and preventing certain changes in control. These provisions include a classified Board of Directors, a fair price provision, advance notice to the Board of Directors of stockholder proposals and

stockholder nominees for the Board of Directors, limitations on the ability of stockholders to remove directors and call stockholders meetings, the provision that vacancies on the Board of Directors be filled by a majority of the remaining directors and the ability of the Board to issue, without further stockholder approval, preferred stock with rights and privileges which could be senior to the Common Stock. The Company also is subject to Chapter 110F of the Massachusetts General Laws which, subject to certain exceptions, prohibits a Massachusetts corporation from engaging in any of a broad range of business combinations with any "interested stockholder" for a period of three years following the date that such stockholder became an interested stockholder. These provisions could discourage a third party from pursuing a takeover of the Company at a price considered attractive by many stockholders, since such

provisions could have the effect of preventing or delaying a potential acquiror from acquiring control of the Company and its Board of Directors. See "Description of Capital Stock -- Preferred Stock," "-- Massachusetts Anti-Takeover and Related Statutes" and " -- Certain Provisions of the Company's Articles of Organization and By-laws."

NO ASSURANCE OF PUBLIC MARKET; POSSIBLE VOLATILITY OF PRICE OF COMMON STOCK

Prior to this Offering, there has been no public trading market for the Common Stock. There can be no assurance that a regular trading market for the Common Stock will develop after this Offering or that, if developed, it will be sustained. The initial public offering price of the Common Stock will be determined by negotiations between the Company and Representatives of the Underwriters and may not be indicative of the price at which the Common Stock will trade after completion of this Offering. For factors that will be considered in determining the initial public offering price, see "Underwriting." After completion of this Offering, the market price of the Common Stock could be subject to significant fluctuations in response to various factors and events, including the liquidity of the market for the shares of Common Stock, variations in the Company's operating results, changes in earnings estimates by securities analysts, publicity regarding the Company, the infectious disease test kit industry or the healthcare industry generally, new statutes or regulations or changes in the interpretation of existing statutes or regulations affecting the healthcare industry in general or the infectious disease test kit industry in particular. In addition, the stock market in recent years has experienced broad price and volume fluctuations that often have been unrelated to the operating performance of particular companies. These market fluctuations also may adversely affect the market price of the shares of Common Stock.

LACK OF UNDERWRITING HISTORY

Kaufman Bros., L.P. became registered as a broker-dealer in July 1995 and has participated in a limited number of public offerings as an underwriter. As part of its due diligence function, the Underwriters make such inquiries of management as they deem appropriate, review the accuracy of the Prospectus and establish the initial public offering price for the Common Stock. Prospective purchasers of Common Stock offered hereby should consider the limited experience of Kaufman Bros., L.P. in evaluating an investment in the Common Stock. See "Underwriting."

DILUTION

Purchasers of shares in the Offering will suffer immediate dilution of $5.10 in net tangible book value per share. See "Dilution" and "Underwriting."

SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of Common Stock in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of the Common Stock and the ability of the Company to raise capital through a public offering of its equity securities. Upon completion of this Offering, the Company will have 4,290,064 shares of Common Stock outstanding (4,530,064 shares if the Underwriters' overallotment option is exercised in full). Of those shares, the 1,600,000 shares sold in this Offering (1,840,000 shares if the Underwriters' overallotment option is exercised in full) will be freely tradeable without restriction (except as to affiliates of the Company) or further registration under the Securities Act. All of the Company's directors and executive officers and certain other stockholders, holding in the

aggregate 2,555,244 shares of Common Stock, have agreed not to offer to sell, sell or otherwise dispose of any shares of Common Stock prior to the expiration

of 180 days from the date of this Prospectus. Oscar Gruss & Son Incorporated may, in its sole discretion and at any time without prior notice, release all or any portion of the shares of Common Stock subject to the lockup agreements. Beginning 91 days after the date of this Prospectus, 6,475 shares of Common Stock will be eligible for sale in the public market without registration, subject to certain volume and other limitations, pursuant to Rule 144 or Rule 701 under the Securities Act of 1933, as amended (the "Securities Act") and an additional 122,571 shares will be eligible for sale without such restrictions. Following the expiration of the 180-day lockup period, an additional 1,643,197 shares of Common Stock will be eligible for sale in the public market without registration, subject to certain volume and other limitations, pursuant to Rule 144 or Rule 701 under the Securities Act and an additional 734,425 shares will be eligible for sale without such restrictions. The remaining shares of Common Stock held by existing stockholders, including shares issuable upon exercise of options, will become eligible for sale under Rule 144 or otherwise at various times thereafter. All shares of Common Stock outstanding on the date of this Prospectus will be eligible for sale to certain qualified institutional buyers in accordance with Rule 144A under the Securities Act. The Company intends to register under the Securities Act, shortly after the consummation of the Offering, shares of Common Stock issuable upon exercise of employee stock options, including 934,387 shares issuable upon exercise of such options outstanding on the date of this Prospectus. Two of the Company's stockholders and the holder of a warrant to purchase Common Stock have the right to cause the Company to register their shares under the Securities Act and to include their shares in certain future registrations of securities effected by the Company under the Securities Act. An aggregate of 627,650 shares of Common Stock, including 226,670 shares of Common Stock issuable upon exercise of outstanding warrants, are covered by such registration rights. If such holders, by exercising their registration rights, cause a large number of shares to be registered and sold in the public market, such sales may have an adverse effect on the market price of the Common Stock. If the Company is required to include in a Company-initiated registration shares held by such holders pursuant to the exercise of their piggyback registration rights, such sales may have an adverse effect on the Company's ability to raise needed capital. See "Certain Transactions," "Principal Stockholders" and "Shares Eligible for Future Sale."

USE OF PROCEEDS

The net proceeds to be received by the Company from the sale of the 1,600,000 shares of Common Stock offered hereby are estimated to be $12,600,000 ($14,587,200 if the Underwriters over-allotment option is exercised in full), at an assumed public offering price of $9.00 per share and after deducting estimated underwriting discounts and commissions and offering expenses payable by the Company.

The Company expects to use approximately $4.1 million of the net proceeds to repay outstanding indebtedness, as described below, and approximately $1.0 million for capital expenditures to expand its manufacturing capacity in West Bridgewater, of which approximately $500,000 will be spent on building expansion and approximately $500,000 will be spent on equipment. The Company intends to use $522,500 of the net proceeds of this Offering to fund the second installment of its investment in BioSeq. The Company anticipates using the remaining net proceeds for general corporate purposes, including working capital, as well as for potential acquisitions and alliances. See "Risk Factors -- Risk of Broad Management Discretion in Application of Proceeds," and "Business -- Strategic Alliances."

At October 4, 1996, the approximately $4.1 million of indebtedness to be repaid from the proceeds of this Offering consists of (i) approximately $2.3 million of indebtedness under a secured revolving line of credit due June 30, 1998 that bears interest at a rate equal to the prime rate plus 0.5% per annum; (ii) a mortgage note in the principal amount of approximately $685,215 on the West Bridgewater property that bears interest at a fixed rate of 8.3% per annum until December 2000 and thereafter bears interest at a rate equal to the prime rate plus 1% per annum, and which is due December 2002; (iii) a term note, in the principal amount of $442,187, that bears interest at 9.01% per annum and is due in October 1998; (iv) a term note, in the principal amount of $137,037, that

bears interest at the prime rate plus 1% per annum and is due October 1999; (v) a term note, in the principal amount of $332,549, that bears interest at a rate equal to the prime plus 1% per annum and is due August 2000; (vi) a term note, in the principal amount of $86,667, that bears interest at a rate of 8.22% per annum and is due December 2000; and (vii) various other notes that aggregate $78,456 due from June 1997 to August 2000. The proceeds from borrowings incurred within the past year were used for working capital, to acquire the West Bridgewater property, to purchase capital equipment and to make the Company's $210,000 initial investment in BioSeq. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 6 of Notes to the Consolidated Financial Statements.

With respect to potential acquisitions and alliances, in addition to the investment in BioSeq, the Company may use a portion of the net proceeds to acquire blood donor centers and other businesses, products or technologies that are complementary to the Company's current business, although it currently has no commitments for such acquisitions or alliances. See "Business -- Strategy."

The specific timing and amount of funds required for specific uses by the Company cannot be precisely determined at this time. Pending such uses, the Company intends to invest in short-term, investment grade, interest bearing obligations.

DIVIDEND POLICY

The Company has never declared or paid cash dividends on its capital stock and does not plan to pay any cash dividends in the foreseeable future. The Company's current policy is to retain all of its earnings to finance future growth. Any future determination to pay cash dividends will be at the discretion of the Board of Directors and will be dependent upon the Company's financial condition, operating results, capital requirements, general business conditions and such other factors as the Board of Directors deems relevant. The Company is subject to financial and operating covenants, including a prohibition against the payment of cash dividends, under its bank financing agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

CAPITALIZATION

The following table sets forth as of June 30, 1996 (i) the actual capitalization of the Company, (ii) the pro forma capitalization of the Company after giving effect to the termination of certain redemption provisions relating to 117,647 shares of Common Stock, and (iii) as adjusted to give effect to the sale of 1,600,000 shares of Common Stock offered by the Company hereby at an assumed public offering price of $9.00 per share, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by the Company. This table should be read in conjunction with the Consolidated Financial Statements and related notes thereto appearing elsewhere in this Prospectus.

<TABLE>
<CAPTION>

	JUNE 30, 1996		
			PRO FORMA
	ACTUAL	PRO FORMA	AS ADJUSTED
	(IN THOUSANDS, EXCEPT SHARE DATA)		
<S>	<C>	<C>	<C>
Current maturities of long term debt	$ 490	$ 490	$ --
Long-term debt, less current maturities:			
Line of credit	1,398	1,398	--
Bank term debt	719	719	--

Mortgage term debt	620	620	--
Other notes payable	61	61	--
	2,798	2,798	--
Redeemable common stock, $.01 par value; authorized issued and outstanding 117,647, and none pro forma and pro forma as adjusted	899	--	--
Stockholders' equity:			
Common stock, $.01 par value; authorized 15,000,000 shares; issued and outstanding 2,572,417 actual, 2,690,064 pro forma and 4,290,064 pro forma as adjusted(1)	26	27	43
Preferred Stock			
Additional paid-in capital	2,717	3,615	16,199
Retained earnings	589	589	589
Total stockholders' equity	3,332	4,231	16,831
Total capitalization	$7,029	$7,029	$16,831

</TABLE>

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(1) Excludes the following at June 30, 1996: (i) 934,387 shares of Common Stock issuable pursuant to the exercise of stock options outstanding at a weighted average exercise price of $3.15 per share, of which options to purchase 653,684 shares were then exercisable, (ii) 226,670 shares of Common Stock issuable pursuant to the exercise of warrants outstanding at a weighted average exercise price of $2.50 per share, all of which were then exercisable, and (iii) 14,333 shares of Common Stock issuable upon conversion of the subordinated convertible note at $1.50 per share. Since June 30, 1996, no stock options were exercised, granted or became exercisable. See "MANAGEMENT -- Stock Plans."

DILUTION

At June 30, 1996, the Company had a net tangible book value of $4,137,943 or $1.54 per share of Common Stock. "Net tangible book value per share" represents the tangible book value of the Company (total tangible assets less total liabilities) divided by the number of shares of Common Stock outstanding (on a pro forma basis to give effect to the termination of certain redemption provisions relating to 117,647 shares of Common Stock). Without taking into account any changes in such net tangible book value as of June 30, 1996, other than to give effect to the sale by the Company of the 1,600,000 shares of Common Stock offered hereby at an assumed initial public offering price of $9.00 and after deducting the estimated underwriting discounts and commissions and offering expenses payable by the Company, the pro forma net tangible book value of the Company at June 30, 1996 would have been $16,737,943, or $3.90 per share. This represents an immediate increase in the net tangible book value per share of $2.36 to existing stockholders and an immediate dilution of the net tangible book value per share of $5.10 to persons purchasing the Common Stock offered hereby (the "New Investors"). The following table illustrates this per share dilution:

Assumed initial public offering price per share	$ 9.00
Net tangible book value per share before the Offering	$1.54
Increase per share attributable to New Investors	2.36
Pro forma as adjusted net tangible book value	

per share after the Offering	3.90
Dilution per share to New Investors	$5.10

The following table sets forth on a pro forma basis, as of June 30, 1996, the total number of shares purchased from the Company after giving effect to the sale of the 1,600,000 shares of Common Stock offered by the Company hereby, the total consideration paid to the Company and the average price per share paid by existing stockholders and by New Investors at an assumed initial public offering price of $9.00 per share:

<TABLE>
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	SHARES PURCHASED		TOTAL CONSIDERATION		
	NUMBER	PERCENT	AMOUNT	PERCENT	AVERAGE PRICE PER SHARE
<S>	<C>	<C>	<C>	<C>	<C>
Existing Stockholders	2,690,064	62.7%	$ 3,835,373	21.0%	$1.43
New Investors	1,600,000	37.3%	14,400,000	79.0%	$9.00
Total	4,290,064	100.0%	$18,235,373	100.0%	

</TABLE>

The above information assumes (i) no exercise of the Underwriters' warrants and (ii) no exercise of any other outstanding options and warrants after June 30, 1996. As of June 30, 1996, there were outstanding options, warrants and a subordinated convertible note to purchase an aggregate of 1,175,390 shares of Common Stock at exercise prices ranging from $0.25 to $8.50 per share. Since June 30, 1996, no stock options were exercised, granted or became exercisable. To the extent these options and warrants are exercised, there will be further dilution to New Investors. See "Management -- Stock Plans," "Certain Transactions" and Note 10 of Notes to Consolidated Financial Statements.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table contains certain selected consolidated financial data of the Company and is qualified in its entirety by the more detailed Consolidated Financial Statements and Notes thereto included elsewhere in this Prospectus. The statement of operations data for the fiscal years 1993, 1994 and 1995, and the balance sheet data as of December 31, 1994 and 1995, have been derived from the Consolidated Financial Statements of the Company which have been audited by Coopers & Lybrand L.L.P., independent accountants, and which appear elsewhere in this Prospectus. The balance sheet data as of December 31, 1993 are derived from consolidated financial statements that have been audited by Coopers & Lybrand L.L.P. The statement of operations data of the Company for the fiscal years ending December 31, 1991 and 1992 and the balance sheet data as of December 31, 1991 and 1992 have been derived from consolidated financial statements of the Company which have been audited by other independent public accountants. The unaudited consolidated financial data as of June 30, 1996, and for the six months ended June 30, 1996 and 1995, have been prepared on a basis consistent with the audited consolidated financial statements and, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial condition and results of operations for the periods presented. The results for the six months ended June 30, 1996, are not necessarily indicative of the results that may be expected for the year ending December 31, 1996. This data should be read in conjunction with the Consolidated Financial Statements and related Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere herein.

<TABLE>
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	YEAR ENDED DECEMBER 31,					SIX MONTHS ENDED JUNE 30,	JUNE 30,
	1991	1992(1)	1993(2)(3)	1994	1995	1995	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED STATEMENT OF OPERATIONS DATA:							
REVENUE:							
Product sales	$2,146	$2,955	$3,942	$ 5,982	$ 6,622	$3,024	$ 3,946
Services	264	1,680	5,215	4,741	5,649	2,540	2,982
Total revenue	2,410	4,635	9,157	10,723	12,271	5,564	6,928
COSTS AND EXPENSES:							
Cost of product sales	1,172	1,638	2,088	3,194	3,564	1,646	2,007
Cost of services	191	1,443	3,965	3,416	4,168	1,960	2,250
Research and development	104	222	279	469	375	159	362
Selling and marketing	372	353	894	1,192	1,340	638	915
General and administrative	436	745	1,619	2,047	2,316	1,057	1,088
Total operating costs and expenses	2,275	4,401	8,845	10,318	11,763	5,460	6,622
Income from operations	135	234	312	405	508	104	306
Interest expense, net	101	113	179	244	336	164	168
Income (loss) before income taxes and extraordinary item	34	121	133	161	172	(60)	138
Provision for income taxes	(5)	(45)	(41)	(64)	(69)	24	(55)
Income (loss) before extraordinary item	29	76	92	97	103	(36)	83
Extraordinary item-gain on elimination of debt, net of income taxes	--	--	50	--	--	--	--
Net income (loss)	$ 29	$ 76	$ 142	$ 97	$ 103	$ (36)	$ 83
Net income (loss) per share(4)(5)	$ 0.01	$ 0.04	$ 0.06	$ 0.04	$ 0.04	$(0.01)	$ 0.03
Weighted average common and common equivalent shares outstanding(4)(5)	1,948	2,160	2,438	2,587	3,151	2,598	3,253

</TABLE>

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	DECEMBER 31,					JUNE 30, 1996	
	1991	1992	1993	1994	1995	ACTUAL	PRO FORMA(7)
	(IN THOUSANDS, EXCEPT PER SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED BALANCE SHEET DATA:							
Working capital(6)	$1,698	$2,457	$3,612	$4,686	$4,829	$ 4,497	$ 4,497
Total assets	2,624	4,828	6,870	8,076	9,928	10,047	10,047
Long term debt, less current maturities(6)	993	1,760	2,381	3,180	4,216	2,798	2,798
Redeemable common stock	--	--	--	--	--	899	--
Total stockholders' equity	993	1,837	2,762	3,041	3,187	3,332	4,231
Dividends -- None							

</TABLE>

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(1) Effective July 1, 1992, the Company acquired through its BTRL subsidiary the

net assets of a division of Cambridge Biotech Corporation for $762,000 which increased 1992 revenues by $1,450,000.

(2) On June 30, 1993, the Company exercised its option to pre-pay the acquisition note in connection with the 1992 purchase of BTRL at a substantial discount from the balance due, resulting in an extraordinary gain of $50,000 net taxes of $33,000. The 1993 net income per share before such extraordinary gain was $0.04.

(3) Effective January 1, 1993, the Company acquired the net assets of North American Laboratory Group Ltd., Inc. for $425,000, which increased 1993 revenues by $2,019,000.

(4) The effect of the common stock equivalents on net income per share has been excluded from the calculation for years ended December 31, 1991 through 1994 and the six months ended June 30, 1995 as its inclusion was antidilutive.

(5) Pro forma supplementary earnings per share for the year ended December 31, 1995 and the six months ended June 30, 1996 were $.09 and $.06, respectively, based upon an assumed weighted average common and common equivalent shares outstanding of 3,600,007 and 3,701,173, respectively. In accordance with APB Opinion 15, pro forma supplementary earnings per share is presented as if the Company sold on January 1, 1995, 448,530 shares of Common Stock, representing the number of shares of Common Stock required to be sold at the assumed initial public offering price of $9.00 per share in order for the Company to repay the indebtedness outstanding during 1995 as if the Offering had occurred on January 1, 1995. See "Use of Proceeds" and Note 12 of Notes to Consolidated Financial Statements.

(6) The Company's demand line of credit with outstanding amounts of $880,000, $1,091,000 and $1,895,000 as of December 31, 1991, 1992 and 1993, respectively, has been presented as part of long-term debt (and excluded from current liabilities in calculating working capital) for 1991 through 1993 to be consistent with its reclassification to long-term debt in 1994, 1995 and 1996 due to a modification of its maturity date.

(7) Adjusted to reflect the reclassification of Redeemable Common Stock into 117,647 shares of Common Stock upon completion of this Offering, thereby terminating the redemption provisions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Prospectus contains forward-looking statements which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors."

The following discussion and analysis should be read in conjunction with the Company's Consolidated Financial Statements and the Notes thereto appearing elsewhere in this Prospectus.

OVERVIEW

The Company generates revenue from products and services provided to the in vitro diagnostic infectious disease industry. Products consist of three groups: Quality Control Panels, Accurun(tm) Run Controls and Diagnostic Components. Services consist of Specialty Clinical Laboratory Testing, Contract Research, Clinical Trials and Drug Screening. In the three full years since the Company's acquisition of BTRL and BBI-NACL, the Company has experienced a shift in revenue mix towards increased product sales, as product revenue as a percentage of total revenue increased from 43.1% in 1993 to 54.0% in 1995, with a corresponding decrease in the percentage of total revenue provided by services.

The Company's gross profit margin increased from 33.9% in 1993 to 37.0% in

1995 principally as a result of the increased percentage of higher margin product revenues. Within products, the Company's Quality Control Products (Accurun(tm) Run Controls and Quality Control Panels) have higher margins than the Company's Diagnostic Components. Within services, Contract Research gross margins are lower than other services. However, such contracts enable the Company to maintain certain scientific staff and capability that it might otherwise not be able to afford. The Company intends to continue to concentrate on the growth in sales of its Quality Control Products.

Historically, the Company's results of operations have been subject to quarterly fluctuations due to a variety of factors, including customer purchasing patterns, primarily driven by end-of-year expenditures, and seasonal demand during the summer months for certain laboratory testing services. In particular, the Company's sales of its Quality Control Products and Diagnostic Components typically have been highest in the fourth quarter and lowest in the first quarter of each fiscal year, whereas Specialty Clinical Laboratory Testing has generally reached a seasonal peak during the third quarter, coinciding with the peak incidence of Lyme Disease. Research Contracts are generally for large dollar amounts spread over a one or two year period, and upon completion, frequently do not have renewal phases. As a result they can cause large fluctuations in revenue and net income. In addition to staff dedicated to internal research and development, certain of the Company's technical staff work on both Contract Research for customers and Company sponsored research and development. The allocation of certain technical staff to such projects depends on the volume of Contract Research. As a result, research and development expenditures fluctuate due to increases or decreases in Contract Research. See "Risk Factors -- Fluctuations in Quarterly Results of Operations."

To develop new Quality Control Products and support increased sales, the Company hired additional research and development staff in the second half of 1995 and sales and marketing staff in 1996. The Company intends to continue to add staff to these departments. This should cause both research and development and selling and marketing expenses to increase as a percentage of revenue in 1996 and 1997, compared to 1995. General and administrative expenses are not expected to increase at the same rate, as the Company has already incurred significant infrastructure expenses.

The Company does not have any foreign operations. However, the Company does have significant export sales to agents under distribution agreements, as well as directly to test kit manufacturers. All sales are denominated in U.S. dollars. Export sales for the years ended December 31, 1993, 1994, and 1995 were $1.4 million, $2.3 million, and $3.1 million, respectively, and for the six months ended June 30, 1995 and 1996 were $1.5 million and $1.9 million, respectively. The Company expects that export sales will continue to be a significant source of revenue and operating income. See "Risk Factors -- Risks Associated with Export Sales."

The Company's cash flow from operations over the last three years has been negative as it funded investment in research and development, increased sales and marketing expenditures, and supported growth-driven working capital needs. The Company funded the shortfall through a combination of sales of common stock and bank financing. The Company anticipates using a portion of the net proceeds of this Offering for working capital requirements until such time as its cash flow from operations becomes sufficient.

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated the percentage of total revenue represented by certain items reflected in the Company's consolidated statements of operations:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996

<S>	<C>	<C>	<C>	<C>	<C>
Revenue:					
Products	43.1%	55.8%	54.0%	54.4%	57.0%
Services	56.9	44.2	46.0	45.6	43.0
Total revenue	100.0	100.0	100.0	100.0	100.0
Gross profit	33.9	38.4	37.0	35.2	38.6
Operating expenses:					
Research and development	3.0	4.4	3.1	2.9	5.2
Selling and marketing	9.8	11.1	10.9	11.4	13.2
General and administrative	17.7	19.1	18.9	19.0	15.7
Total operating expenses	30.5	34.6	32.9	33.3	34.1
Income from operations	3.4	3.8	4.1	1.9	4.4
Interest expense	2.0	2.3	2.7	3.0	2.4
Income (loss) before income taxes	1.5	1.5	1.4	(1.1)	2.0
Net income (loss)	1.6	0.9	0.8	(0.6)	1.2
Product gross profit	47.0%	46.6%	46.2%	45.6%	49.1%
Services gross profit	24.0%	28.0%	26.2%	22.8%	24.6%

</TABLE>

SIX MONTHS ENDED JUNE 30, 1996 AND 1995

Total revenue increased 24.5%, or $1,364,000, to $6,928,000 for the six months ended June 30, 1996 from $5,564,000 in the prior year period. This increase was the result of an increase in product sales of 30.4%, or $921,000, to $3,946,000 from $3,025,000 and an increase in specialty laboratory services of 17.4%, or $443,000, to $2,983,000 from $2,540,000. Product revenue increased primarily as a result of an overall increase of 34.5% in Quality Control Products, due to sales of new products and increased volume of existing products, including an increase of 132.5% in the sales of Accurun(tm). The increase in service revenue was primarily attributable to a 19.0% increase in Specialty Clinical Laboratory Testing revenue, particularly molecular (PCR) testing, and the addition of two new research contracts with the National Institutes of Health in the fourth quarter of 1995.

Gross profit increased 36.5%, or $714,000, to $2,672,000 for the six months ended June 30, 1996 from $1,958,000 in the prior year period. The gross profit margin increased to 38.6% in the six months ended June 30, 1996 versus 35.2% in the prior year period. Gross margins improved in both products, (45.6% to 49.1%), and services (22.8% to 24.6%), as the Company benefited from an improved revenue mix at the higher volume level.

Research and development expenses increased 127.4%, or $203,000, to $362,000 for the six months ended June 30, 1996 from $159,000 in the prior year period. Research and development costs as a percentage of revenues increased to 5.2% for the six months ended June 30, 1996 from 2.9% in the comparable 1995 period. This increase was primarily the result of increased costs of personnel hired in the second half of 1995 which enabled the Company to introduce over 30 new products in the first half of 1996 compared with 15 new introductions in the prior year period.

Selling and marketing expenses increased 43.6%, or $278,000, to $915,000 for the six months ended June 30, 1996 from $638,000 in the prior year period. This increase was primarily attributable to increased personnel costs associated with the addition of tele-sales staff for Quality Control Products, particularly Accurun(tm), and increased advertising costs due to the commencement of the Company's "Total Quality System" (TQS) marketing campaign.

General and administrative expenses increased 3.0%, or $31,000, to $1,088,000 for the six months ended June 30, 1996 from $1,057,000 in the prior year period. As a result, general and administrative expenses decreased as a percentage of revenues to 15.7% for 1996 from 19.0% in the prior year period as management maintained close control of expense levels.

Interest expense was essentially unchanged in the six months ended June 30, 1996 versus the prior year period as the prime rate increases in late 1995 were offset by reduced borrowing due to both additional equity raised and prepayments from certain customers for contract research services.

YEARS ENDED DECEMBER 31, 1995 AND 1994

Total revenue increased 14.4%, or $1,548,000, to $12,271,000 in 1995 from $10,723,000 in 1994. The increase in revenues was the result of a 10.7% increase in product revenues of $640,000 to $6,622,000 from $5,981,000, and a 19.1% increase in service revenues of $908,000 to $5,649,000 from $4,741,000 in 1995 compared to 1994. The increase in product revenue was attributable to an increase in prices at the beginning of 1995 and an increase in the volume of sales of Quality Control Products and Basematrix (part of the Diagnostic Components group), which increase was partially offset by the absence of revenues in 1995 from two OEM Quality Control Panel contracts which were completed in 1994. The Company also reduced emphasis on certain lower margin Diagnostic Components as it focused more effort on sales of its proprietary Basematrix product, which carries a higher margin. During 1995, the Company reorganized its sales and marketing department and believes that this had an adverse effect on sales growth for the period. The increase in service revenue was primarily the result of increased specialty clinical laboratory testing, two new research contracts and increased clinical trial services, particularly in the area of HIV.

Gross profit increased 10.4%, or $426,000, to $4,539,000 for 1995 from $4,113,000 in 1994. Products gross profit increased 9.7%, or $270,000, to $3,057,000 in 1995 from $2,787,000 in 1994 as the products sales increase was offset by a small decrease in products gross profit margin (to 46.2% in 1995 from 46.6%). The products gross margin decrease was a result of a small increase in material handling personnel costs. Services gross profit increased 11.8%, or $156,000, to $1,481,000 in 1995 from $1,326,000 in 1994 as the sales increase was offset by a decrease in services gross profit margin to 26.2% in 1995 from 28.0% in 1994. Services gross margin declined primarily as a result of increased personnel costs in the specialty clinical laboratory and an increase in contract research activities, which carry a lower margin.

Research and development expenditures decreased 20.0%, or $94,000, to $376,000 in 1995 from $469,000 in 1994. The decrease resulted from certain technical staff being utilized for Company sponsored research and development in 1994 and Contract Research in 1995. See "-- Years Ended December 31, 1994 and 1993." Development projects included Accurun(tm), molecular and immunological Run Controls, specialized molecular assays, and the development of a second generation Lyme Disease western blot test kit for internal use by the Company's specialty testing laboratory.

Selling and marketing expenses increased 12.4%, or $148,000, to $1,340,000 in 1995 from $1,192,000 in 1994. The increase was primarily attributable to additional sales and marketing staff and overhead, partially offset by lower trade show and travel expenses as the Company realized greater benefits from its distributor network.

General and administrative costs increased 13.1%, or $269,000, to $2,316,000 in 1995 from $2,047,000 in 1994. This increase was primarily attributable to additional staffing in support of revenue growth and higher reserve provisions for doubtful accounts associated with the increased volume of revenue related to testing in situations where payment to the Company depends on collecting from the

patient rather than a healthcare institution. These increases were partially offset by lower professional fees. Also included in general and administrative expense was approximately $60,000 of nonrecurring costs associated with the move of the specialty testing laboratory into a larger, custom-designed facility.

Interest expense increased 37.8%, or $92,000, to $336,000 in 1995 from $244,000 in 1994, as the Company funded its working capital needs primarily through increased borrowings.

YEARS ENDED DECEMBER 31, 1994 AND 1993

Total revenue increased 17.1%, or $1,566,000, to $10,723,000 in 1994 from $9,157,000 in 1993. This increase was a result of a 51.7%, or $2,039,000, increase in product sales, partially offset by a 9.1%, or $473,000, decrease in service revenue. The product sales increase was primarily attributable to unit volume growth of both existing and new Quality Control Panels for HIV and HCV, and, to a lesser extent, to sales of the Company's first molecular-based Quality

Control Panel targeted for end-user PCR training. The service revenue decline was primarily attributable to the completion in February 1994 of a government contract with the United States Army for retrovirology research that reduced contract research revenue by approximately $1,100,000 in 1994 compared with 1993. This decrease was partially offset by a $676,000, or 36.5%, increase in specialty laboratory testing services.

Gross profit increased 32.5%, or $1,009,000, to $4,113,000 for 1994 from $3,104,000 in 1993. Products gross profit increased 50.3%, or $933,000, to $2,787,000 in 1994 from $1,855,000 in 1993 as the products sales increase was partially offset by a small decrease in products gross margin (to 46.6% in 1994 from 47.0%). The products gross margin decrease was a result of higher costs associated with pilot manufacturing of Accurun(tm). Services gross profit increased 6.1%, or $76,000, to $1,326,000 in 1994 from $1,250,000 in 1993 as the sales decrease was more than offset by an increase in services gross margin (to 28.0% in 1994 from 24.0%). Services gross margin increased primarily as a result of improved economies of scale at its specialty clinical laboratory afforded by higher test volume, and redeployment of staff into Company sponsored research and development projects.

Research and development expenditures increased by 68.3%, or $190,000, to $469,000 in 1994 from $279,000 in 1993 as the Company commenced several research and development projects, including development of Quality Control Panels for molecular diagnostics, increased expenditures related to the development of a PCR test for Lyme Disease, and a second generation Lyme Disease western blot test kit for internal use by the Company's specialty clinical laboratory.

Selling and marketing expenses increased 33.3%, or $297,000, to $1,192,000 in 1994 from $894,000 in 1993. This increase was primarily attributable to staff additions in sales and customer service support for the products business and also higher travel costs.

General and administrative expenses increased 26.4%, or $428,000, to $2,047,000 in 1994 from $1,619,000 in 1993. This increase was primarily attributable to a full year impact of staff additions in information systems, regulatory affairs and accounting in support of the Company's sales growth and growth expectations in both the Quality Control Products and the Specialty Clinical Laboratory Services business.

Interest expense increased 36.4%, or $65,000, to $244,000 in 1994 from $179,000 in 1993 as the Company funded its increased equipment and working capital needs primarily from borrowings.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through cash flow from operations, borrowings from banks and sales of equity.

At June 30, 1996 the Company had $1,398,000 outstanding and $2,028,000 of availability under its $3.5 million Revolving Line of Credit Agreement due June 30, 1998 (the "Revolver"). The Revolver bears interest at a rate equal to the prime rate plus 0.5% per annum, currently 8.75%. Prior to June 30, 1996, the Revolver bore interest at a rate equal to the prime rate plus 1% per annum. Under the terms of the Revolver, the Company operates under a zero balance account arrangement whereby cash

receipts are received into a lockbox at the bank and reduce the Revolver, while disbursements for payroll and accounts payable items increase the outstanding balance of the Revolver. Borrowings under the Revolver are limited to 80% of eligible accounts receivable plus the lesser of 40% of inventory or $1.5 million. The Revolver contains various covenants and restrictions and the amounts outstanding are secured by all of the Company's assets and a $2 million life insurance policy on an officer/stockholder. See Note 6 to Notes to the Consolidated Financial Statements. The Company expects to use a portion of the proceeds of the Offering to repay the outstanding amount under the Revolver, which at October 4, 1996 was approximately $2,300,000. See "Use of Proceeds." Amounts repaid on the Revolver will be available for reborrowing.

Net cash provided by operations for the six months ended June 30, 1996 was $685,000 as compared to $105,000 in the prior year period. This increase in cash flow was primarily attributable to an increase in net income and an increase in deferred revenue from a payment of $308,000 under a research contract for future clinical trial services. Cash flow used in operations in 1995, 1994 and 1993 amounted to $29,000, $554,000 and $427,000, respectively. The decrease in cash used in operations in 1995 from 1994 was primarily attributable to an increase in deferred revenue.

Cash used in investing activities for the six months ended June 30, 1996 was $283,000 as compared to $216,000 in the prior year period. This increase in investing activities was the result of increased capital expenditures for production equipment associated with Accurun(tm) and other Quality Control Products. Cash used in investing activities for 1995, 1994 and 1993 amounted to $1,320,000, $405,000 and $850,000, respectively. The increased use of cash in 1995 versus 1994 was the result of the purchase of the Company's West Bridgewater facility and in 1993 related to the acquisition of the net assets of North American Laboratory Group Limited, Inc.

Cash used in financing activities for the six months ended June 30, 1996 was $403,000 as compared to $151,000 provided by financing activities in the prior comparable year period. Net cash was used in financing activities primarily as a result of the repayment of $1,591,000 of the Revolver offset by $899,000 raised through the sale of 117,647 shares of Common Stock to Kyowa Medex, Co., Ltd. in April 1996. Cash provided by borrowings for 1995, 1994 and 1993 amounted to $1,240,000, $846,000 and $494,000, respectively, and net proceeds from the sale of Common Stock for the same periods amounted to $176,000, $170,000, and $765,000, respectively. The proceeds of such debt were used for working capital, to acquire the West Bridgewater property and to purchase capital equipment. The Company expects to use a portion of the proceeds of the Offering to repay the outstanding balances on these notes payable, which aggregated approximately $1,829,000 at August 1, 1996. See "Use of Proceeds."

Capital expenditures relate primarily to the Company's facilities and related equipment. For the six months ended June 30, 1996 and 1995, capital expenditures totaled $283,000 and $216,000 respectively. This represents an increase of $67,000 in the six months ended June 30, 1996, as the Company continues to invest in manufacturing equipment and information systems related to both operations and finance. In 1995, 1994 and 1993 capital expenditures amounted to $1,316,000, $405,000 and $461,000, respectively. In 1995, $806,000 of the Company's capital expenditures related to the purchase of the West Bridgewater facility. As of October 4, 1996, the Company has available to it a $250,000 five year term facility to finance equipment purchases, bearing interest at prime plus 1%.

The Company anticipates capital expenditures to increase over the near term as it expects to use approximately $1.0 million from the proceeds of this Offering to expand its manufacturing capacity in West Bridgewater over the next 12 months, of which approximately $500,000 will be spent on building expansion and approximately $500,000 will be spent on equipment. The Company also expects to use $522,500 to fund the Company's purchase of its second installment of capital stock of BioSeq following the completion of this Offering. See "Use of Proceeds." The Company must make the remaining $750,000 installment if BioSeq attains certain technical milestones by July 31, 1997. If the milestones are not achieved, the Company will have the option to purchase the additional $750,000 of BioSeq capital stock until December 31, 1997. The Company believes that existing cash balances, the borrowing capacity available under the Revolver, cash generated from operations and the proceeds of this Offering are sufficient to fund operations and anticipated capital expenditures for the foreseeable future. There were no material financial commitments for capital expenditures as of June 30, 1996, and currently there are no material commitments for capital or investment expenditures other than the BioSeq investment.

On April 26, 1996 the Company entered into a new five year distribution agreement with Kyowa Medex, Co., Ltd., a foreign distributor, extending a six

year old relationship. Simultaneously, Kyowa Medex, Co., Ltd. purchased 117,647 shares of the Company's Common Stock at a price of $8.50 per share. The Purchase Agreement includes a redemption right that may require the Company to repurchase the stock at $8.50 per share in the event the Company terminates the distribution agreement or it expires prior to the Company completing an initial public offering of its Common Stock. These shares have been presented in the Company's balance sheet separately as redeemable Common Stock. Completion of this initial public offering will terminate the redemption provisions and cause the reclassification of these shares into stockholders' equity.

RECENT ACCOUNTING PRONOUNCEMENTS

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS 121"). SFAS 121 requires that an impairment loss be recognized for long-lived assets and certain identified intangibles when the carrying amount of these assets may not be recoverable. The Company has adopted SFAS 121 effective in 1996 and the adoption did not have a material impact on the financial statements.

In October 1995, the FASB issued Statement of Financial Accounting Standards No. 123 ("SFAS 123") "Accounting for Stock-Based Compensation," which becomes effective for fiscal years beginning after December 15, 1995. SFAS 123 establishes new financial accounting and reporting standards for stock-based compensation plans. However, entities are allowed to elect whether to measure compensation expense for stock-based compensation under SFAS 123 or APB No. 25, "Accounting for Stock Issued to Employees." The Company has elected to continue to account under APB No. 25 and will make the required pro forma disclosures of net income and earnings per share as if the provisions of SFAS 123 had been applied in its December 31, 1996 financial statements. The potential impact of adopting this standard on the Company's pro forma disclosures of net income and earnings per share has not been quantified at this time.

BUSINESS

GENERAL

The Company is a leading worldwide provider of proprietary quality control products for use with in vitro diagnostic test kits ("test kits") for the detection, analysis and monitoring of infectious diseases, including AIDS, Hepatitis and Lyme Disease. These products are used to develop test kits, to permit the monitoring of laboratory equipment and personnel, and to help ensure the accuracy of test results. The Company's products are derived from human plasma and serum using proprietary manufacturing processes. The Company believes its Quality Control Panel products are viewed as the current industry standard for the independent assessment of the performance of HIV and Hepatitis test kits. The Company also manufactures diagnostic test kit components and provides specialty laboratory services, including clinical trials. The Company's customers include test kit manufacturers, regulatory agencies and end-users of test kits such as blood banks, hospital laboratories and clinical reference laboratories. Currently the Company's products are used in connection with the detection of more than 15 infectious diseases, and its specialty laboratory services are used in connection with the detection of over 100 such diseases.

INDUSTRY OVERVIEW

According to the World Health Organization ("WHO"), infectious diseases are now the leading cause of premature death around the world and the third most common cause of premature death in the United States. In 1995, more than 17 million people died from exposure to infectious diseases, constituting nearly one-third of the approximately 52 million people worldwide who died from all causes. Currently, the Company focuses on two infectious diseases, Viral Hepatitis and AIDS, which are among the largest killers and are also a primary focus of blood testing efforts worldwide.

WHO estimates that approximately 20 million people worldwide are infected with HIV, and that approximately one million people died from AIDS-related illnesses during 1995. WHO also estimates that up to 350 million people worldwide are infected with Hepatitis Type B, one of several types of Viral Hepatitis, and that over one million people died of Viral Hepatitis during 1995. In developed countries, blood products are routinely screened for HIV and Viral Hepatitis by use of infectious disease test kits.

The increased threat from infectious diseases has created a large and growing market for test kits. Venture Planning Group, a medical products research firm, estimates that the worldwide infectious disease test kit market was approximately $2.7 billion in 1995, and will grow to $5.0 billion by 2000 and $8.0 billion by 2005.

Infectious Disease Test Kits and Testing Methods. Test kits contain in one compact package all of the materials necessary to run a test for an infectious disease. These include the disposable diagnostic components, instructions, and reaction mixing vessels (generally 96-well plates or test tubes) which are coated with the relevant infectious disease antigens, antibodies or other materials. To perform the test, either a technician or a specially designed instrument typically mixes the solutions from the test kit with human blood specimens in a specific sequence according to the test kit instructions. The mixture must then "incubate" for up to 18 hours, during which time a series of biochemical reactions trigger signals (including color, light and radioactive count) which indicate the presence or absence and amount of specific markers of the particular disease in the specimen.

Test kits generally employ one of three methods for infectious disease testing: microbiology, immunology or molecular biology. Traditional microbiology tests use a growth medium that enables an organism, if present, to replicate and be detected visually. Immunology tests detect the antigen or antibody, which is an indicator (marker) of the pathogen (e.g., virus, bacterium, fungus or parasite). Molecular diagnostic methods, such as the polymerase chain reaction ("PCR"), test for the presence of nucleic acids (DNA or RNA) which are specific to a particular pathogen.

Most infectious disease tests currently use microbiological or immunological methods. However, molecular diagnostic methods are increasingly being used in research laboratories worldwide and the Company believes that soon they will be accepted for routine use in the clinical laboratory setting. The Company believes that the advent of molecular diagnostic methods will complement rather than diminish the need to test by microbiological and immunological procedures, because different test methods reveal different information about a disease state. The Company anticipates that as new test methods become more widespread, they will account for a larger portion of the Company's business.

Quality Control for In Vitro Diagnostic Test Kits. Customers employ quality control products in order to develop and use test kits (both infectious and non-infectious). Quality control products help ensure that test kits detect the correct analyte (specificity), detect it the same way every time (reproducibility or precision), and detect it at the appropriate levels (sensitivity). The major element of this quality control process is the continuous evaluation of test kits by the testing of carefully characterized samples that resemble the donor or patient samples routinely used with the test. Quality control is used in both the infectious and non-infectious disease markets, although currently it is not as prevalent among end-users of infectious disease test kits.

The market for quality control products consists of three main customer segments: (i) manufacturers of test kits, (ii) regulatory agencies that oversee the manufacture and use of test kits and (iii) end-users of test kits, such as hospitals, clinical reference laboratories and blood banks.

According to the Genesis Report Dx (May 1994), a medical products survey,

the quality control market for in vitro diagnostic testing for infectious and non-infectious disease in 1994 totaled approximately $600 million. The Company believes that the market for quality control products for infectious disease testing currently represents less than five percent of the overall quality control market. At the present time, most quality control products for non-infectious disease test kits are sold to end-users, who have used quality control products as part of standard laboratory practice for several decades. Conversely, most quality control products for the infectious disease test kit segment of the market are sold to test kit manufacturers and regulators, and not to end-users, who have historically used quality control products only on a limited basis. The Company believes that this lower level of usage among end-users of infectious disease test kits is primarily due to laboratory practices that have evolved from earlier testing methods that did not require routine and extensive use of external quality controls as part of standard laboratory practice. However, the Company also believes that this lower level of usage among end-users of test kits represents a major market opportunity since current testing methods have been improving test kit performance to increasingly higher levels of sensitivity, specificity and reproducibility. The Company believes that these three key criteria of test kit performance can be best monitored through the use of quality control products, such as those sold by the Company.

MARKET TRENDS

The Company believes that end-users of test kits will become the most significant users of quality control products in the infectious disease market and that the market for infectious disease test kits and related quality control products will continue to expand, primarily as a result of the following four trends.

Increased Regulatory Scrutiny. Due to the high level of public concern with the dangers of infectious diseases, particularly AIDS, Viral Hepatitis, and Lyme Disease, governmental regulatory agencies are requiring additional tests to improve the safety of the blood supply, and are requiring manufacturers and end-users of test kits to adopt quality assurance programs applicable to the entire test kit product life-cycle, from initial product design and development through manufacture and end-use. The passage of the Clinical Laboratory Improvement Amendments of 1988 ("CLIA") and its regulatory implementation beginning in 1992 have resulted in a set of recommended laboratory practices, including more stringent quality control programs, as well as regular government inspections aimed at improving the overall standard of proficiency in clinical laboratories. As a result, the Company believes that blood bank, hospital and clinical laboratory personnel are adopting more comprehensive quality assurance programs, especially in infectious disease testing, to minimize the risk of errors and to comply with CLIA and other regulations.

Growing Recognition of the Value of Using Quality Control Products. To ensure the greatest possible safety of the blood supply, to achieve the earliest possible diagnosis of infection, and to minimize the occurrence of false negative results, sensitivity of tests (i.e., their ability to accurately detect very small amounts of the disease marker) is a critical element. The Company believes there is increasing recognition of the benefit of continuously monitoring test sensitivity using quality control products to help ensure the accuracy of each test run.

New Diseases and the Development of New Therapies. In recent years, HIV, Hepatitis C Virus ("HCV"), Borrelia burgdorferi ("Lyme Disease") and Ehrlichia, among others, have emerged as significant human pathogens. New and drug resistant strains of known pathogens, such as those causing tuberculosis, escape mutants of Hepatitis B Virus ("HBV"), and Group O and other variants of HIV, have also emerged. In response, new and improved tests are being developed. In addition, as new drug therapies are introduced to treat infectious diseases, new tests are needed to monitor the effectiveness of these therapies. For example, the recent advances in AIDS drug therapy, which use a combination of several drugs to treat infected patients, have prompted the creation of a new viral load test used to periodically measure the precise amount of virus in the patient's blood to evaluate the effectiveness of the drug therapy. The Company believes that viral load testing will be applied to additional areas of infectious disease, including Hepatitis B and C and Lyme Disease.

Advanced Test Technologies and Equipment. Test kit manufacturers are continuing to enhance the sensitivity, specificity and reproducibility of their tests. Molecular diagnostics now permit the direct detection of the nucleic acids (DNA and RNA) specific to viruses and other pathogens and are being used to complement traditional microbiological and immunological tests for infectious disease. New tests for urine and saliva have been developed that offer advantages in some settings over blood tests and may be more widely used in the future. Test kit manufacturers are also developing assays on silicon chips, laser-read microspot arrays, and are using electrochemi- luminescence detection, among other technologies. The different types of information obtained through the complementary use of various diagnostic methods can provide the physician with a broader perspective on the diagnosis and prognosis of the disease, as well as on the effectiveness of drug therapy.

THE BOSTON BIOMEDICA ADVANTAGE

The Company offers a broad, integrated range of products for quality assurance throughout the entire infectious disease test kit life-cycle, from initial research and development, through the regulatory approval process and test kit production, to training, troubleshooting and routine use by end-users. To directly address the emerging end-user market opportunity, the Company introduced its TQS marketing platform based around its Accurun(tm) Run Control products. The Company believes that TQS is the first comprehensive package of quality control products designed specifically for infectious disease test kit end-users, providing them with a customized approach to evaluate all of the key elements of the testing process.

The Company believes that it has several competitive advantages which have enabled it to achieve its current leadership position in quality control products for infectious diseases:

Valuable Inventory. The Company has an inventory of approximately 50,000 distinct human blood specimens accumulated since 1986 through its worldwide sources of blood-supply. This inventory cannot be easily or rapidly acquired on the open market, and enables the Company to respond quickly to market trends and customer needs.

Specialty Laboratory Services and Clinical Trials. The knowledge gained through the Company's specialty laboratory services allows the Company to remain at the forefront of emerging market trends and customer needs. By conducting clinical trials of new test kits under development, the Company is able to maintain close contact with manufacturers and to release Quality Control Products for test kits soon after the test kits are introduced to the market. In addition, by operating a specialty clinical laboratory, the Company is able to better understand the requirements of the end-user.

Proprietary Manufacturing Know-How. As a result of ten years of experience working with leading worldwide manufacturers in the development of their test kits and with regulators to help in the evaluation of test kits, the Company has developed proprietary know-how in manufacturing its Quality Control Products.

Reputation. The Company believes that it has developed a reputation as an authority in quality control products for infectious disease among manufacturers and regulators of infectious disease test kits. The Company believes that its reputation, established over the past ten years, will assist it in penetrating the emerging end-user market.

STRATEGY

The Company's strategy is to enhance its leadership position in the infectious diseases quality control market and to take advantage of the emerging opportunities in the end-user market for quality control products. There are five key elements to this strategy:

Capitalize on Emerging End-User Market. In 1996 the Company introduced an expanded line of Quality Control Products that are specifically designed for the

end-users of test kits, such as blood banks, hospitals and clinical laboratories. The Company plans to continue to expand its line of Quality Control Products, particularly its Accurun(tm) line of Run Controls, to cover a wider range of immunological and molecular markers. The Company also recently introduced its Total Quality System ("TQS") marketing platform, which combines Accurun(tm) with other Quality Control Products to provide test kit end-users with the products needed in an overall quality assurance program. The Company intends to continue to expand its sales, marketing and distribution activities to support its product development program for the emerging end-user quality control market.

Develop New Products and Services. The Company intends to capitalize on its reputation with manufacturers and regulators by developing Quality Control Products and Diagnostic Components for use with test kits for both new test methodologies and new diseases. For example, in response to a 1996 FDA mandate that all blood collected for transfusion must be tested for the presence of the HIV antigen, the Company recently introduced on an OEM basis the first quality control training panels for use with the two FDA-licensed HIV antigen test kits available in the United States. In addition, the Company has also provided a training panel for end-users of the only FDA-licensed molecular amplification test for HIV RNA, and has introduced a new line of HIV RNA controls to meet the demand of the newly emerging viral load test market. In the future, the Company expects to provide Quality Control Panels for use with tests that distinguish among the subtypes of HIV, the serotypes of HCV, and the various strains of Mycobacteria causing tuberculosis.

Enhance Technical Leadership. The Company seeks to expand its technical capabilities by continually enhancing its strong scientific staff and collaborating with other scientists worldwide, thus strengthening its reputation in the area of quality control for infectious disease testing. The Company maintains and enhances its technical leadership by participating in scientific studies relevant to its products and services, and by making presentations at scientific meetings on blood banking and infectious diseases. The Company's scientists also publish articles in peer reviewed journals.

Capitalize on Complementary Business Operations. The Company intends to capitalize on operational and marketing opportunities that arise out of its activities in both infectious disease products and laboratory services. For example, the Company conducts clinical trials for manufacturers of in vitro diagnostic products, which allows the Company to maintain close contact with test kit manufacturers and regulators, and enables the Company to evaluate new technologies in various stages of development. The Company believes that the reputation and experience of its laboratory and scientific staff, its large number of unique Quality Control Panels, and its inventory of characterized serum and plasma specimens assist the Company in marketing its clinical trial services to its customers. Finally, the Company's specialty clinical laboratory also affords the Company access to materials needed in the production of its Quality Control Products and Diagnostic Components.

Pursue Strategic Acquisitions and Alliances. The Company intends to pursue strategic acquisitions and alliances to expand its core product lines, to strengthen its base in medical science and technology, and to secure sources of blood supply. To date, the Company has acquired BTRL, a research and development laboratory with a strong capability in molecular and cellular biology, and BBI-NACL, formerly North American Laboratory Group Ltd., Inc., a microbiology and immunology clinical laboratory specializing in the diagnosis of infectious diseases, including tick-borne diseases. These acquisitions led to the introduction in 1994 of the Company's first Quality Control Products for molecular diagnostics. In October 1996, the Company entered into a strategic alliance with BioSeq. Under the License Agreement, upon the earlier of payment of the final installment of the Company's aggregate $1,482,500 investment and December 31, 1997, the Company will be granted the worldwide right to use technology which is being developed for DNA sequencing and analysis, a process which may allow for more precise identification of infectious disease agents. The Company believes that there may be additional acquisition and alliance opportunities, such as blood donor centers in strategic locations and companies with complementary technology or synergistic product lines, that would strengthen its existing business.

PRODUCTS

The Company designs, develops and markets diagnostic products used for the quality control, quality assurance and technical evaluation of test kits for the laboratory diagnosis of infectious disease. The Company offers three product groups: Quality Control Panels, Run Controls and Diagnostic Components.

The Company manufactures its products from human plasma and serum which are obtained from nonprofit and commercial blood centers, primarily in the United States. The Company has acquired and developed an inventory of approximately 50,000 individual blood units and specimens (with volumes ranging from 1 ml to 800 ml) which provides most of the raw material for its products.

QUALITY CONTROL PANELS

Quality Control Panels consist of blood products characterized by the presence or absence of specific disease markers and a Data Sheet containing comprehensive quantitative data useful for comparative analysis. These Quality Control Products are designed for measuring overall test kit performance and laboratory proficiency, as well as for training laboratory professionals. The Company's Data Sheets are an integral part of its Quality Control Products. These Data Sheets are created as the result of extensive testing of proposed panel components in both the Company's laboratories and at major testing laboratories on behalf of the Company in the United States and Europe, including national public health laboratories, research and clinical laboratories and regulatory agencies. These laboratories are selected based on their expertise in performing the appropriate tests on a large scale in an actual clinical setting; this testing process provides the Company's customers with the benefit that the Quality Control Panels they purchase from the Company have undergone rigorous testing in actual clinical settings. In addition, the Company provides information on its Data Sheets on the reactivity of panel components in all FDA licensed test kits and all leading European test kits for the target pathogen, as well as for all other appropriate markers of this pathogen. For example, the Company's HIV panel Data Sheets include anti-HIV by IFA, ELISA and western blot; HIV antigen by ELISA; and HIV RNA by several molecular diagnostic procedures. The Company's Data Sheets require significant time and scientific expertise to prepare.

The Company first introduced Quality Control Panels in 1987. The Company currently offers a broad range of Quality Control Panels that address a variety of needs of manufacturers and regulators of test kits as well as blood banks, hospitals, clinical laboratories and other end-users. Prices for the Company's quality control seroconversion, performance and sensitivity panels range from $450 to $2,000 each, and its qualification and OEM panels range from $100 to $200 per panel. The following table describes the types of Quality Control Panel products currently offered by the Company.

QUALITY CONTROL PANEL PRODUCTS

<TABLE>
<CAPTION>

PRODUCT LINE	DESCRIPTION	USE	CUSTOMERS
<S>	<C>	<C>	<C>
Seroconversion Panels	Plasma samples collected from a single individual over a specific time period showing conversion from negative to positive for markers of an infectious disease	Compare the clinical sensitivity of competing manufacturers' test kits, enabling the user to assess the sensitivity of a test in detecting a developing antigen/antibody	Test kit manufacturers and regulators

Performance Panels	A set of 10 to 50 serum and plasma samples collected from many different individuals and characterized for the presence or absence of a particular disease marker	Determine test kit performance against all expected levels of reactivities in the evaluation of new, modified and improved test methods	Test kit manufacturers and regulators
Sensitivity Panels	Precise dilutions of human plasma or serum containing a known amount of an infectious disease marker as calibrated against international standards	Evaluate the low-end analytical sensitivity of a test kit	Test kit manufacturers
Qualification Panels	Dilutions of human plasma or serum manifesting a full range of reactivities in test kits for a specific marker	Demonstrate the consistent lot-to-lot performance of test kits, troubleshoot problems, evaluate proficiency, and train laboratory technicians	Clinical reference laboratories, blood banks, and hospital laboratories
OEM Panels	Custom-designed Qualification Panels for regulators and test kit manufacturers for distribution to customers or for internal use	Train laboratory personnel on new test kits or equipment	Custom designed with test kit manufacturers and regulators as an end-user product or for internal use

</TABLE>

Seroconversion and Performance Panels are comprised of unique and rare plasma specimens obtained from individuals during the short period of time when the markers for a particular disease are converting from negative to positive. As a result, the quantity of any such panel is limited, so that the Company must replace these panels as they sell out with another panel comprised of different specimens equally unique and rare. The Company believes that its inventory and relationships with blood centers affords it a competitive advantage in acquiring such plasma for replacement panels and developing new products to meet market demand. There can be no assurance that the Company will be able to continue to obtain such specimens. See "Risk Factors -- Difficulty in Obtaining Raw Materials."

The Company believes that it offers its customers a broad range of Quality Control Panel products to address the requirements of the complete life-cycle of a test kit, from initial research and development, through the regulatory approval process, test kit production, training, troubleshooting and routine use by end-users. The Company further believes that its Data Sheets, an integral part of all panel products, offer its customers in-depth information on a particular test kit of interest. Quality

Control Panels currently span the immunologic markers for AIDS (i.e., HIV), Hepatitis B and C, Lyme Disease and ToRCH (Toxoplasma, rubella, cytomegalovirus and herpes simplex virus). New introductions this year include molecular Performance Panels for HBV and HCV, qualification panels for HIV, HBV and HCV, and additional Seroconversion Panels for HIV, HBV, and HCV.

ACCURUN(TM) RUN CONTROLS

End-users of test kits utilize Run Controls to confirm the validity of results by monitoring test performance, thereby minimizing false negative test results and improving error detection. Run controls consist of one or more specimens of known reactivity that are tested together with donor or patient samples in an assay to determine whether the assay is performing within the manufacturer's specifications. Clinical laboratories generally process their patient specimens in a batch processing mode, and typically include 25 to 100 specimens to be tested in each batch (a "run"). Large laboratories may perform several runs per day, while smaller laboratories may perform only a single run each day, or sometimes only several runs per week. A clinical laboratory using a Run Control will place the Run Control product in a testing well or test-tube, normally used for a specimen, and will test it in the same manner that it tests the donor or patient specimens. It will then compare the results generated to an acceptable range, determined by the user, to measure whether the other specimens are being accurately tested. The Run Control result must be within the acceptable range to be considered valid. This is often tracked visually using a Levey-Jennings chart. Depending upon a particular laboratory's quality control practices, it may use several Run Controls on each run or it may simply use a Run Control in a single run at the beginning and end of the day.

The Company believes its Accurun(tm) product line provides the following benefits to end-users:

* Helps to satisfy the requirements of Good Laboratory Practice.

* Tracks the accuracy and precision of test runs.

* Detects laboratory errors and identifies trends before they become a problem.

* Monitors test kit performance, equipment and personnel.

* Helps to meet National Committee For Clinical Laboratory Standards ("NCCLS") for molecular and immunological diagnostic methods for infectious disease quality control.

* Documents the validity of test results, day to day, week to week.

The Company introduced its first four Accurun(tm) Run Control products in the fourth quarter of 1993 and has since developed and released for sale an additional 24 Accurun(tm) products. A limited number of these products are available for diagnostic purposes; the others currently are limited to research use. See " -- Government Regulation." Current Accurun(tm) Run Control products range in price from $15 to $45 per milliliter and are described in the following table.

ACCURUN(TM) RUN CONTROLS

<TABLE>
<CAPTION>

PRODUCT LINE	DESCRIPTION	CURRENT NUMBER OF PRODUCTS	PRIMARY CUSTOMER(S)
<S>	<C>	<C>	<C>
Accurun(tm) 1-99	Multi-marker Run Control for immunological tests	4	Blood Banks
Accurun(tm) 100-199	Single-marker Run Control for immunological tests	17	Hospitals and clinical reference laboratories
Accurun(tm) 200-299	Multi-marker Run Control for molecular tests	1	Research and specialty laboratories
Accurun(tm) 300-399	Single-marker Run Control for molecular tests	3	Research and specialty laboratories
Accurun(tm) 800-899	Negative Run Control for immunological and molecular tests	3	All laboratories

</TABLE>

The Company's Accurun(tm) family of products is targeted at the emerging market of end-users of infectious disease test kits. The Company believes that

it offers the most comprehensive line of Run Controls in the industry, and that its Accurun(tm) products, in combination with its Quality Control Panel products, provide an extensive line of products for quality assurance in infectious disease testing. See "-- Sales and Marketing." The Company intends to continue to expand its line of Accurun(tm) products, thereby providing its customers with the convenience and cost effectiveness of a single supplier for independent run controls. See "Risk Factors -- Undeveloped End-User Market For Quality Control Products for Infectious Disease Test Kits."

The Company has received 510(k) clearance from the FDA to market its Accurun 1(R) line, for diagnostic purposes, and intends to apply for such clearance for the remainder of its Accurun(tm) products. All of the Company's Accurun Run Controls will require FDA premarket clearance or approval prior to being marketed for diagnostic use. An application for clearance for diagnostic use for one additional Accurun(tm) product has been submitted by the Company to the FDA, and the Company anticipates that applications for approximately 16 additional Accurun(tm) products will be prepared and submitted to the FDA by the end of 1997. Failure to obtain, or delays in obtaining, such clearance or approval would adversely affect the Company's strategy of capitalizing on the end-user market. See "Risk Factors -- Stringent Government Regulation" and "-- Government Regulation."

DIAGNOSTIC COMPONENTS

Diagnostic Components are the individual materials supplied to infectious disease test kit manufacturers and combined (often after further processing by the manufacturer) with other materials to become the various fluid components of the manufacturer's test kit. The Company supplies Diagnostic Components in four product lines: Normal Human Plasma, Normal Human Serum, Basematrix, and Characterized Disease State Serum and Plasma. Normal Human Plasma and Serum are both the clear liquid portion of blood which contains proteins, antibodies, hormones and other substances, except that the Serum product has had the clotting factors removed. Basematrix, the Company's proprietary processed serum product that has been chemically converted from plasma, is designed to be a highly-stable, lower cost substitute for most Normal Human Serum and Plasma applications. Characterized Disease State Serum and Plasma are collected from specific blood donors pre-selected because of the presence or absence of a particular disease marker. The Company often customizes its Diagnostic Components by further processing the raw material to meet the specifications of the test kit manufacturer. The Company's Diagnostic Components range in price from $0.25 to $60 per milliliter, with the majority selling between $0.50 and $5 per milliliter.

The Company believes that it has several competitive advantages in Diagnostic Components. Through its trained and experienced laboratory staff, the Company is able to perform comprehensive in-house testing for a number of markers in a particular material, and consequently is able to address the demands of its customers. The Company's large inventory of approximately 50,000 specimens provides it with the flexibility to produce Diagnostic Components efficiently and rapidly in response to customer requests. The Company believes that its proprietary manufacturing knowledge enables it to manufacture stable, high quality products to meet the demands of its worldwide customer base.

SERVICES

The Company seeks to focus its specialty laboratory services in both the clinical reference laboratory testing and advanced research areas. The Company concentrates its services in those areas of infectious disease testing which are complementary to its quality control and diagnostic products businesses.

Specialty Clinical Laboratory Testing. The Company operates an independent specialty clinical laboratory which performs both routine and sophisticated infectious disease testing in microbiology, immunology and molecular biology, with special emphasis in AIDS, Viral Hepatitis and Lyme Disease. The Company's specialty clinical laboratory combines traditional microbiology, advanced immunology, and current molecular diagnostic techniques, such as PCR, to detect and identify microorganisms, their antigens and related antibodies, and their nucleic acids (i.e., DNA and RNA). Customers include physicians, clinics, hospitals and other clinical/research laboratories.

Contract Research. The Company offers a variety of contract research services in molecular biology, cell biology and immunology to governmental agencies, diagnostic test kit manufacturers and biomedical researchers. Molecular biology services include DNA sequencing, recombinant DNA support, probe labeling and custom PCR assays. Cell biology and immunology services include sterility testing, virus infectivity assays, cultivations of virus or bacteria from clinical specimens, preparation of viral or bacterial antigens or nucleic acids, and production of antibodies. The Company is currently providing research services for assessment of the efficiency of candidate HIV vaccines in a monkey model system under two separate contracts with the National Institute for Allergy and Infectious Disease ("NIAID"), a part of the National Institutes of Health ("NIH"). Each of these contracts has a two year term which expires in September 1997. In addition, since 1983, the Company, through its BTRL subsidiary, has provided blood processing and repository services for the National Cancer Institute ("NCI"), also a part of the NIH. The repository stores over 2,000,000 specimens and processes or ships up to several thousand specimens per week in support of various NIH cancer and virus research programs. While the current NCI repository contract terminates in February 1997, the Company has responded to a Request for Proposals by the United States government for a new four year contract to replace this contract. There can be no assurance that any of these contracts will be replaced with new contracts. See "Risk Factors -- Dependence on Key Customers."

Small Business Innovation Research ("SBIR") grants and other government contracts similar to the ones described have enabled the Company to develop technologies applicable to new product development and its specialty clinical laboratory. For example, recent SBIR grants have enabled the Company to develop PCR based assays for the detection of the nucleic acids of HIV, HCV and Lyme Disease. Although the Company does not currently have any SBIR grants, it has two pending applications for such grants and intends to continue to seek government grants and contracts that further the Company's core technology and commercial business. There can be no assurance that the Company will receive any government research grants in the future.

Clinical Trials. The Company conducts clinical trials for domestic and foreign test kit manufacturers. Test kit manufacturers must conduct such trials to collect data for submission to the United States FDA and other regulatory agencies. By providing this service, the Company is able to maintain close contact with test kit manufacturers and regulators, and is able to evaluate new technologies in various stages of development. The Company believes that the reputation of its laboratory and scientific staff, its large number of Quality Control Panels, and its inventory of characterized serum and plasma specimens assist the Company in marketing its clinical trial services to its customers. The Company has performed clinical trials for a number of United States and foreign test kit manufacturers seeking to obtain FDA approval for their infectious disease test kits.

Drug Screening Program. As a subcontractor for an NIH AIDS grant held by the University of North Carolina at Chapel Hill, the Company has established an anti-HIV drug screening program to test a large number of natural products (largely plant derivatives) to determine whether they inhibit HIV replication in an in vitro assay system. These in vitro assays are also offered as a service to researchers and pharmaceutical companies who wish to test various candidate anti-viral agents for anti-HIV activity.

RESEARCH AND DEVELOPMENT

The Company's research and development effort is focused on the development of (i) new and improved Quality Control Products for the emerging end-user market, (ii) new products for existing customers, (iii) Diagnostic Components for use with test kits for both new test methodologies and new diseases, and (iv) infectious disease testing services using PCR and other amplification assays for AIDS, Viral Hepatitis, Lyme Disease and Chlamydia, among others. The Company has approximately 20 full or part-time employees dedicated to its research and development effort. For the six months ended June 30, 1996 the Company increased spending on research and development as a percentage of revenues compared to the same period ended June 30, 1995 and expects to continue to increase such expenditures as a percentage of revenues for the next several

years. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Results of Operations." The Company's research scientists work closely with sales, marketing and manufacturing personnel to identify and prioritize the development of new products and services.

The Company's product development activities center on the identification and characterization of materials for the manufacture of new Quality Control Products and the replacement of sold-out products. For example, during 1996, the Company has introduced 10 new Seroconversion, Performance and Sensitivity Panel products as well as 14 new Accurun(tm) Run Controls; in addition, during July 1996, the Company released its first Qualification Panel products. The Company is developing new Quality Control Products for use with molecular diagnostic tests for HIV, HCV and HBV. Recently the Company expanded its Quality Control Product line beyond the retrovirus and Viral Hepatitis diagnostics area to include sexually transmitted diseases (e.g., Syphilis), tick-borne diseases (e.g., Lyme Disease), and respiratory and other infections (e.g., Tuberculosis) and is continuing to develop new Quality Control Products for these and other diseases. The Company has increased the number of Quality Control Products it offers from approximately 20 in 1990 to approximately 150 products in 1996.

The Company is also developing new and improved infectious disease specialty tests for Lyme Disease and other tick-borne diseases for use in its specialty laboratory business. For example, the Company was among the first to develop enzyme immunoassays and Western Blot assays for Lyme Disease. The Company is also pursuing new applications of PCR technology to infectious disease diagnostics, such as amplification assays for the pathogens of AIDS, Viral Hepatitis, Lyme Disease and Chlamydia, and for the direct detection of other infectious agents in blood, tissues and other body fluids.

From time to time in the past, the Company has funded a portion of its research and development activities from grants provided by various agencies and departments of the U.S. government. See "-- Services."

STRATEGIC ALLIANCES

University of North Carolina at Chapel Hill. The Company is directly supporting a drug discovery program at UNC, in which a full-time research scientist is working to develop synthetic derivatives of anti-HIV compounds that have been discovered pursuant to the Company's joint collaboration with UNC. This research scientist is also working to introduce modifications to these derivatives that would make them more soluble, less toxic, or otherwise enhance their anti-viral properties. UNC has licensed to the Company exclusive worldwide rights to three series of patent applications filed by the Company and UNC with respect to three classes of anti-HIV compounds. Two such compounds have exhibited therapeutic indices in in vitro test model systems in excess of those recorded for AZT under comparable test conditions. The Company is expending approximately $100,000 per year for research and development relating to these compounds. In addition, under this license, the Company will also have the rights to any new anti-HIV compounds or derivatives developed in the course of this sponsored research, provided the Company obtains certain regulatory approvals from the FDA. See "-- Services."

Ajinomoto Co., Inc. The Company entered into an agreement with Ajinomoto Co., Inc. in October 1995 pursuant to which the Company is performing research regarding among other things, whether tests for certain amino acids in plasma can be used to determine a person's immune status, particularly in chronic fatigue syndrome. This project is funded by Ajinomoto and has a three year budget of approximately $1,000,000. Discoveries and inventions arising from the research will be owned by Ajinomoto, but the Company has the right of first refusal to obtain certain exclusive licenses from Ajinomoto of any patented technology arising from the research. The Company is entitled to certain royalties based upon a percentage of sales of products arising out of the research. This agreement expires in September 1998.

BioSeq, Inc. In October 1996, the Company entered into a strategic alliance with BioSeq, an early stage biotechnology company that is developing a technology that may, through the use of pressure, be able to more precisely control chemical reactions. The Company believes that this technology may be

useful for sequencing, synthesizing and characterizing nucleic acids and proteins, which may then allow for the more precise identification of infectious disease agents.

The Company has agreed to purchase approximately 19% of the capital stock of BioSeq for an aggregate of $1,482,500 in three installments. Of the $1,482,500, $210,000 has been invested and $522,500 will be invested upon completion of the Offering. The Company must make the remaining $750,000 installment if BioSeq attains certain technical milestones by July 31, 1997. If such milestones are not attained by BioSeq by July 31, 1997, the Company will have the option to make the remaining $750,000 investment until December 31, 1997. See "Use of Proceeds." The Company has price anti-dilution protection, pre-emptive rights and the right to board representation, the last of which terminates if the Company fails to make the second installment

under the Purchase Agreement. In addition, the Company was granted the right to acquire additional shares of common stock of BioSeq for additional consideration under certain conditions, provided that this right is not exercisable to the extent it would cause the Company's ownership of BioSeq to equal or exceed 20%. BioSeq has also agreed to engage the Company to perform a minimum of $100,000 and $150,000 of research and development services following the payment of the second and third installments, respectively.

Under the License Agreement, upon the earlier of payment of the final installment of the Company's investment and December 31, 1997, the Company will be granted a worldwide right to use the BioSeq technology relating to sequencing and analysis services. The License will be exclusive until BioSeq commences selling on a commercial basis the equipment used in the DNA sequencing and analysis process, at which time the License will become non-exclusive. The License provides that the Company will pay BioSeq certain royalties based upon net revenues arising out of the services performed by the Company with the licensed technology.

SALES AND MARKETING

The Company's sales and marketing efforts are directed by a Senior Vice President of Sales and Marketing who supervises 15 sales people and four other full-time sales and marketing employees.

The Company's marketing strategy is focused upon addressing the needs of its customers in the infectious disease testing market throughout the entire test kit life-cycle, from initial research and development, through the regulatory approval process and test kit production, to training, troubleshooting and routine use by end-users such as clinical laboratories, hospitals and blood banks. By serving its customers at all stages of the product life-cycle, the Company expects to stay at the forefront of trends in infectious disease testing, which in turn enables the Company to anticipate and respond to the needs of the marketplace.

The Company recently has begun to focus its sales and marketing efforts on the emerging end-user market for quality control products for infectious disease test kits. To promote this objective, the Company is implementing a major marketing platform, known as "Total Quality System" ("TQS"). TQS is a package of Quality Control Products, including the Company's Accurun(tm) Run Controls, which is designed to provide test kit end-users with the products needed in an overall quality assurance program. These products enable laboratories to evaluate each of the key elements involved in the testing process: the test kit, laboratory equipment and laboratory personnel. The Company believes that TQS effectively addresses the need for end-users to ensure the accuracy of their test results. The Company intends to continue to expand its sales and marketing activities with respect to its Accurun(tm) line of Run Control products. Since the beginning of 1996, the Company has hired two new employees for the sales and marketing of its Accurun(tm) line of products and expects to add six more direct salespeople by the end of 1997.

The Company's products are currently sold through a combination of

telephone, mail, third party distributors and limited direct sales efforts. Domestically, products are sold through an in-house tele-sales group consisting of five sales representatives, two sales managers and one customer service representative. Internationally, the Company distributes its products both directly and through 17 independent distributors located in Japan, Australia, South America, Southeast Asia, Israel and Europe. The Company's international sales manager oversees the Company's foreign distributors. During the fiscal years 1993, 1994, 1995 and the six months ended June 30, 1995 and 1996 the Company's distributors accounted for 1.9%, 3.5%, 6.2%, 2.8% and 8.8% of the Company's total revenue, respectively. The Company intends to further expand sales through international distributors, although there can be no assurances that it will be able to do so. See "Risk Factors -- Risks Associated with Export Sales."

The Company's Specialty Clinical Laboratory Testing services are marketed primarily through a direct domestic sales force consisting of seven sales representatives managed by a sales director. The sales representatives are located throughout the eastern and mid-western United States. They are supported internally by a client services representative.

The Company emphasizes high quality products and services, technical knowledge, and responsiveness to customer needs in its marketing activities for both products and services. The Company educates its distributors, customers and prospective customers about its products through a series of detailed marketing brochures, technical bulletins and pamphlets, press releases and direct mail pieces. These materials are supplemented by advertising campaigns in major industry publications, technical presentations, and exhibitions at local, national and international trade shows and expositions.

CUSTOMERS

The Company's customers for Quality Control Products and Diagnostic Components comprise three major groups: (i) international diagnostics and pharmaceutical manufacturing companies, such as Abbott Diagnostics, Behring, Boehringer Mannheim, Chiron, Fujirebio, Hoffman LaRoche, Ortho Diagnostics (Johnson and Johnson), Sanofi Diagnostics and Sorin Biomedica; (ii) regulatory agencies such as the United States FDA, the British Public Health Laboratory Service, the French Institut National de la Transfusion Sanguine, and the German Paul Ehrlich Institute; and (iii) end-users of diagnostic test kits, such as hospital clinical laboratories, public health laboratories and blood banks, including the Swiss Red Cross, United Blood Services and Kaiser Permanente. In 1995, the Company sold products to approximately 100 diagnostics and pharmaceutical manufacturers, 15 regulatory agencies, and 250 end-users. The Company's Specialty Clinical Laboratory Testing services are sold to hospital and clinical laboratories, blood banks, researchers and other health care providers. The Company's Contract Research services are typically offered under contracts to governmental agencies, diagnostic test kit manufacturers and biomedical researchers. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Overview."

The Company does not have long-term contracts with its customers for Quality Control Products and Diagnostic Components. The Company's products are sold to its customers pursuant to purchase orders for discrete purchases. Although the Company believes that its relationships with these customers are satisfactory, termination of the Company's relationship with any one of such customers could have a material adverse effect on the Company. See "Risk Factors -- Dependence on Key Customers."

During the fiscal years 1993, 1994 and 1995, and the six months ended June 30, 1995 and 1996, sales to the Company's three largest customers accounted for an aggregate of approximately 20% of the Company's net sales, although the customers were not identical in each period and no one customer accounted for more than 10% of net sales.

MANUFACTURING AND OPERATIONS

The Company manufactures and assembles substantially all of its products at

its facility in West Bridgewater, Massachusetts. The Company has computerized purchasing, inventory, and test result and materials tracking systems in an integrated operations management system, and believes that these systems are adequate for its current level of production, but would require further enhancements if the Company experiences substantial future growth. The Company acquires raw materials from a variety of vendors and through a program of donor recruitment, donor screening, product collection, product characterization and donor management. All important materials have multiple sources of supply.

The Company's West Bridgewater facility contains environmentally-controlled freezers and cold rooms, which are used to store raw materials for manufacturing and finished products. More than 3,000 square feet of space in the West Bridgewater facility is dedicated to freezers and cold rooms. The freezers and cold rooms are monitored continuously and the Company maintains a natural gas fired emergency generator in the event of a power outage.

The Company also operates a specialty clinical laboratory in New Britain, Connecticut and a research and development laboratory in Rockville, Maryland. See "-- Properties."

COMPETITION

The market for the Company's products and services is highly competitive. Many of the Company's competitors are larger than the Company and have greater financial, research, manufacturing, and marketing resources. Important competitive factors for the Company's products include product quality, price, ease of use, customer service and reputation. In a broader sense, industry competition is based upon scientific and technical capability, proprietary know-how, access to adequate capital, the ability to develop and market products and processes, the ability to attract and retain qualified personnel, and the availability of patent protection. To the extent that the Company's products and services do not reflect technological advances, the Company's ability to compete in those products and services could be adversely affected. See "Risk Factors -- Risk of Technological Change" and "-- Competition."

In the area of Quality Control Products, the Company competes in the United States primarily with NABI (formerly North American Biologicals, Inc.) in Run Controls and Quality Control Panel products and Blackhawk Biosystems Inc. in Run Controls. In Europe, the Netherlands Red Cross has recently

begun offering several Run Control and panel products. The Company believes that all three of these competitors currently offer a more limited line of products than the Company, although there can be no assurance these companies will not expand their product lines.

In the Diagnostic Components area, the Company competes against integrated plasma collection and processing companies such as Serologicals, Inc. and NABI, as well as smaller, independent plasma collection centers and brokers of plasma products. In the Diagnostic Components area, the Company competes on the basis of quality, breadth of product line, technical expertise and reputation.

The Company believes that it has competitive advantages in the quality control products and diagnostic components industry. These include its access to raw materials, technical know-how, broad product line and established reputation among large diagnostics and pharmaceutical manufacturers, as well as regulatory agencies.

In the Specialty Clinical Laboratory Testing services portion of the Company's business, it competes with large national reference laboratories, such as LabCorp of America, Corning Clinical Laboratories and SmithKline Beecham Clinical Laboratories, as well as several independent regional laboratories, hospital laboratories, government contract laboratories and large research institutions. The Company believes that by focusing on the specialty clinical laboratory market, it is able to offer its customers a higher value-added service on the more complex diagnostic tests than the larger national reference laboratories.

GOVERNMENT REGULATION

The manufacture and distribution of medical devices, including products manufactured by the Company that are intended for in vitro diagnostic use, are subject to extensive government regulation in the United States and in other countries. See "Risk Factors -- Stringent Government Regulation."

In the United States, the Food, Drug, and Cosmetic Act ("FDCA") prohibits the marketing of in vitro diagnostic products until they have been cleared or approved by the FDA, a process that is time-consuming, expensive, and uncertain. In vitro diagnostic products must be the subject of either a premarket notification clearance (a "510(k)") or an approved premarket approval application ("PMA"). With respect to devices reviewed through the 510(k) process, a Company may not market a device for diagnostic use until an order is issued by FDA finding the product to be substantially equivalent to a legally marketed device. A 510(k) submission may involve the presentation of a substantial volume of data, including clinical data, and may require a substantial period of review. With respect to devices reviewed through the PMA process, a Company may not market a device until FDA has approved a PMA application, which must be supported by extensive data, including preclinical and clinical trial data, literature, and manufacturing information to prove the safety and effectiveness of the device.

The Company's Accurun Run Controls, when marketed for diagnostic use, have been classified by the FDA as medical devices. The Accurun 1(R) Multi-Marker Run Control, which include eight analytes, has been cleared through the 510(k) process. The Company expects that, in the future, most of its products that need FDA premarket review also will be reviewed through the 510(k) process. The FDA could, however, require that some products be reviewed through the PMA process, which generally involves a longer review period and the submission of more information to FDA. There can be no assurance that the Company will obtain regulatory approvals on a timely basis, if at all. Failure to obtain regulatory approvals in a timely fashion or at all could have a material adverse effect on the Company.

All of the Company's Quality Control Products, with the exception of Accurun 1(R), are marketed "for research use only," which do not require FDA premarket clearance or approval, and not for diagnostic uses, which do require FDA premarket clearance or approval. The labeling of these products limits their use to research. It is possible, however, that some purchasers of these products may use them for diagnostic purposes despite the Company's intended use. In these circumstances, the FDA could allege that these products should have been cleared or approved by the FDA prior to marketing, and initiate enforcement action against the Company, which could have a material adverse effect on the Company.

Once cleared or approved, medical devices are subject to pervasive and continuing regulation by the FDA, including, but not limited to, good manufacturing practices ("GMP") regulations governing testing, control, and documentation; and reporting of adverse experiences with the use of the device.

Ongoing compliance with GMP and other applicable regulatory requirements is monitored through periodic inspections. FDA regulations require agency clearance or approval for certain changes if they do or could affect the safety and effectiveness of the device, including, for example, new indications for use, labeling changes or changes in design or manufacturing methods. In addition, both before and after clearance or approval, medical devices are subject to certain export and import requirements under the FDCA. Product labeling and promotional activities are subject to scrutiny by the FDA and, in certain instances, by the Federal Trade Commission. Products may be promoted by the Company only for their approved use. Failure to comply with these and other regulatory requirements can result, among other consequences, in failure to obtain premarket approvals, withdrawal of approvals, total or partial suspension of product distribution, injunctions, civil penalties, recall or seizures of products and criminal prosecution.

The Company believes that its Quality Control Panels are not regulated by the FDA because they are not intended for diagnostic purposes. The Company believes that its Diagnostic Components, which are components of in vitro diagnostic products, may be subject to certain regulatory requirements under the FDCA and other laws administered by the FDA, but do not require that the Company obtain a premarket approval or clearance. There can be no assurance, however,

that the FDA would agree or that the FDA will not adopt a different interpretation of the FDCA or other laws it administers, which could have a material adverse effect on the Company.

Laws and regulations affecting some of the Company's products are in effect in many of the countries in which the Company markets or intends to market its products. These requirements vary from country to country. Member states of the European Economic Area (which is composed of the European Union members and the European Free Trade Association members) are in the process of adopting various product and services "Directives" to address essential health, safety, and environmental requirements associated with the subject products and services. The "Directives" cover both quality system requirements (ISO Series 9000 Standards) and product and marketing related requirements. In addition, some jurisdictions have requirements related to marketing of the Company's products. There can be no assurance that the Company will be able to obtain any regulatory approvals required to market its products on a timely basis, or at all. Delays in receipt of, or failure to receive such approvals, or the failure to comply with regulatory requirements in these countries or states could lead to compliance action, which could have a material adverse effect on the Company's business, financial condition, or results of operations.

The Company's service-related business (clinical trials, infectious disease testing, and contract research) is subject to other national and local requirements. The Company's facilities are subject to review, inspection, licensure or accreditation by some states, national professional organizations (College of American Pathologists), and other national regulatory agencies (Health Care Financing Administration). Studies to evaluate the safety or effectiveness of FDA regulated products (primarily human and animal drugs or biologics) must also be conducted in conformance with relevant FDA requirements, including Good Laboratory Practice ("GLP") regulations, investigational new drug or device regulations, Institutional Review Board ("IRB") regulations and informed consent regulations.

CLIA prohibits laboratories from performing in vitro tests for the purpose of providing information for the diagnosis, prevention or treatment of any disease or impairment of, or the assessment of, the health of human beings unless there is in effect for such laboratories a certificate issued by the U.S. Department of Health and Human Services ("HHS") applicable to the category of examination or procedure performed.

The Company currently holds permits issued by HHS (CLIA license), Centers for Disease Control and Prevention (Importation of Etiological Agents or Vectors of Human Diseases), the U.S. Department of Agriculture (Importation and Transportation of Controlled Materials and Organisms and Vectors) and the U.S. Nuclear Regulatory Commission (in vitro testing with byproduct material under general license, covering the use of certain radioimmunoassay test methods).

The Company is also subject to government regulation under the Clean Water Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, the Atomic Energy Act, and other national, state and local restrictions relating to the use and disposal of biohazardous, radioactive and other hazardous substances and wastes. The Company is an exempt small quantity generator of hazardous waste

and has a U.S. Environmental Protection Agency identification number. The Company is also registered with the U.S. Nuclear Regulatory Commission for use of certain radioactive materials. All hazardous waste is manifested and disposed of properly. The Company is also subject to various state regulatory requirements governing the handling of and disposal of biohazardous, radioactive and hazardous wastes. The Company has never been a party to any environmental proceeding.

Internationally, some of the Company's products are subject to additional regulatory requirements, which vary significantly from country to country. Each country in which the Company's products and services are offered must be evaluated independently to determine the country's particular requirements. In foreign countries, the Company's distributors are generally responsible for obtaining any required government consents.

INTELLECTUAL PROPERTY

None of the Company's Quality Control Products or Diagnostic Components have been patented. The Company has decided to hold as trade secrets current technology used to prepare Basematrix and other blood-based products. The Company relies primarily on a combination of trade secrets and non-disclosure and confidentiality agreements, and in certain limited circumstances, patents, to establish and protect its proprietary rights in its technology and products. There can be no assurance that others will not independently develop or otherwise acquire the same, similar or more advanced trade secrets and know-how.

The Company has two United States patents and, jointly with UNC, has filed three series of United States and foreign patent applications relating to compounds, pharmaceutical compositions and therapeutic methods in connection with the Company's drug discovery program at UNC. See "-- Services," and " -- Research and Development."

The Company has no reason to believe that its products and proprietary methods infringe the proprietary rights of any other party. There can be no assurance, however, that other parties will not assert infringement claims in the future. See "Risk Factors -- Protection of Intellectual Property and Proprietary Technology."

PROPERTIES

The Company's corporate offices and manufacturing facilities are located in a two story, 22,500 square foot building in West Bridgewater, Massachusetts. The Company owns and operates this building. The Company intends to use approximately $1 million of the proceeds of this Offering to expand its manufacturing capacity and to purchase necessary equipment at its West Bridgewater site, and has submitted plans to local authorities for the development of an additional 7,500 square feet, primarily for manufacturing purposes. The Company anticipates that these renovations will begin this year. The Company believes that following these renovations, its facility in West Bridgewater will be sufficient to meet its foreseeable needs. See "Use of Proceeds."

The Company leases its laboratory facilities in Rockville, Maryland and New Britain, Connecticut. The Rockville facility contains 21,000 square feet and is occupied under a five-year lease that is due to expire on June 30, 1997. The Company is currently considering the exercise of its option to extend the lease for an additional five years, as well as relocating its laboratory. The Company believes that there is sufficient space available in the Rockville facility for its current needs. The New Britain facility has 15,000 square feet, most of which is dedicated to laboratory space. The lease is for five years and is due to expire on July 30, 2000; the Company has an option to renew for an additional five years.

EMPLOYEES

As of August 1, 1996 the Company employed 184 persons, all of whom were located in the United States. Seventy-seven of these persons were employed in West Bridgewater, Massachusetts, 58 in New Britain, Connecticut, and 49 at the Rockville, Maryland site. None of the Company's employees is covered by a collective bargaining agreement. The Company believes that it has a satisfactory relationship with its employees.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of the Company and their ages are as follows:

<TABLE>
<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>

Richard T. Schumacher(1)	46	President; Chief Executive Officer and Chairman of the Board
Kevin W. Quinlan(2)	46	Senior Vice President, Finance; Chief Financial Officer; Treasurer and Director
Patricia E. Garrett, Ph.D.	53	Senior Vice President, Regulatory Affairs & Strategic Programs
Mark M. Manak, Ph.D.	45	Senior Vice President, Research and Development
Richard C. Tilton, Ph.D.	60	Senior Vice President, Specialty Laboratory Services
Barry M. Warren	49	Senior Vice President, Sales & Marketing
Ronald V. DiPaolo, Ph.D.	52	Vice President of Operations
Francis E. Capitanio(2)	52	Director
Henry A. Malkasian(1)	79	Director
Calvin A. Saravis(1)(2)	66	Director

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(1) Member of the Compensation Committee.

(2) Member of the Audit Committee.
</TABLE>

Mr. Schumacher, the founder of the Company, has been the President since 1986, and Chief Executive Officer and Chairman since 1992. Mr. Schumacher served as the Director of Infectious Disease Services for Clinical Science Laboratory, a New England-based medical reference laboratory, from 1986 to 1988. From 1972 to 1985, Mr. Schumacher was employed by the Center for Blood Research, a nonprofit medical research institute associated with Harvard Medical School. Mr. Schumacher received a B.S. in zoology from the University of New Hampshire.

Mr. Quinlan, a Director of the Company since its founding, has been Senior Vice President, Finance, Treasurer, and Chief Financial Officer since January 1993. From 1990 to December 1992, he was the Chief Financial Officer of ParcTec, Inc. a New York-based leasing company. Mr. Quinlan served as Vice President and Assistant Treasurer of American Finance Group, Inc. from 1981 to 1989 and was employed by Coopers & Lybrand from 1975 to 1980. Mr. Quinlan is a certified public accountant and received a M.S. in accounting from Northeastern University and a B.S. in economics from the University of New Hampshire.

Dr. Garrett has been Senior Vice President, Regulatory Affairs & Strategic Programs since 1988. From 1980 to 1987, Dr. Garrett served as the Technical Director of the Chemistry Laboratory, Department of Laboratory Medicine at the Lahey Clinic Medical Center. Dr. Garrett earned her Ph.D. from the University of Colorado and was a postdoctoral research associate at Harvard University, Oregon State University, Massachusetts Institute of Technology and the University of British Columbia.

Dr. Manak has served as Senior Vice President, Research and Development since 1992. From 1980 to 1992, he served as Senior Research Scientist, Molecular Biology, of Biotech Research Laboratories. Dr. Manak received his Ph.D. in biochemistry from the University of Connecticut and completed postdoctoral research work in biochemistry/virology at Johns Hopkins University.

Dr. Tilton has served as Senior Vice President, Specialty Laboratory Services since the Company's acquisition of BBI-North American Clinical Laboratories, Inc. in 1993 and was one of the founders of BBI-NACL, where he served as President from 1989 to 1993. Dr. Tilton has 25 years of experience in university hospital clinical microbiology laboratories and is board certified in medical and public health microbiology. Dr. Tilton received his Ph.D. in microbiology from the University of Massachusetts.

Mr. Warren has served as Senior Vice President, Sales & Marketing since 1993. From 1985 to 1993, Mr. Warren served as Group Director of Marketing of Organon Teknika, a manufacturer of infectious disease reagents. Mr. Warren received an M.A. in political science from Loyola University of Chicago and a

B.A. from Loyola University.

Dr. DiPaolo has been Vice President of Operations since 1993. Prior to joining the Company, Dr. DiPaolo served as Vice President and General Manager of the Biomedical Products Division of Collaborative Research, a medical research products company. From 1975 to 1986 he was employed by DuPont New England Nuclear, an in vitro test kit manufacturer. Dr. DiPaolo received his Ph.D. in biochemistry from Massachusetts Institute of Technology and later completed postdoctoral research at the Eunice Shriver Center in Waltham, Massachusetts.

Mr. Capitanio has served as a Director since January 1986. He has been President, Treasurer and Director of Diatech Diagnostics Inc. (formerly Immunotech Corporation), an in vitro diagnostics company and a wholly owned subsidiary of Healthcare Technologies Ltd., since 1980. Mr. Capitanio received an M.B.A. from the Sloan School of Management, Massachusetts Institute of Technology and a B.S. in metallurgy from Massachusetts Institute of Technology.

Mr. Malkasian has served as a Director since the Company's organization in 1978. Mr. Malkasian is a practicing attorney-at-law and a member of the firm Malkasian & Budge in Massachusetts. He received his J.D. degree from Harvard University School of Law and a B.A. degree from Clark University.

Dr. Saravis has served as a Director since 1978. Since 1971, Dr. Saravis has been a Senior Research Associate at the Mallory Institute of Pathology and since 1979 he has been a Senior Research Associate at the Cancer Research Institute -- New England Deaconess Hospital. Since 1984, Dr. Saravis has had an appointment as an Associate Professor of Surgery (biochemistry) at Harvard Medical School and an Associate Research Professor of Pathology at Boston University School of Medicine. Dr. Saravis received his Ph.D. in immunology and serology from Rutgers University.

In August 1990 the Board of Directors established a Compensation Committee currently composed of Messrs. Schumacher, Saravis and Malkasian. The functions of the Compensation Committee include presentation and recommendations to the Board of Directors on compensation levels for officers and directors and issuance of stock options to the Board of Directors, employees and affiliates.

In August 1990 the Board of Directors established an Audit Committee currently composed of Messrs. Capitanio, Quinlan and Saravis. The functions of the Audit Committee include recommending to the Board of Directors the engagement of the independent accountants, reviewing the scope of internal controls and reviewing the implementation by management of recommendations made by the independent accountants.

The Company's Board of Directors is divided into three classes, with the classes being elected for staggered three-year terms. At each annual meeting of stockholders, directors will be elected to succeed those in the class whose term then expires, and each elected director shall serve for a term expiring at the third succeeding annual meeting of stockholders after such director's election, and until the director's successor is elected and qualified. Thus, directors stand for election only once in three years. Executive officers serve at the discretion of the Board of Directors.

DIRECTOR COMPENSATION

Directors of the Company do not receive cash compensation for their services. Each director is eligible to receive options to purchase Common Stock under the Company's 1987 Non-Qualified Stock Option Plan. As of October 4, 1996, options to purchase an aggregate of 249,750 shares have been granted to directors of the Company under this Plan. During fiscal 1995, options to purchase an aggregate of 15,000 shares of Common Stock were granted to the Directors as follows: 5,000 shares to Mr. Capitanio, 5,000 shares to Mr. Malkasian, and 5,000 shares to Dr. Saravis and no shares to either Mr. Schumacher or Mr. Quinlan.

EXECUTIVE COMPENSATION

The following table sets forth the compensation for the fiscal year ended

December 31, 1995 of each of the Chief Executive Officer and the six most highly compensated officers of the Company (the "Named Executive Officers"), none of whom received any bonuses during the fiscal year ended December 31, 1995:

SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION FOR FISCAL 1995 SALARY($)	OTHER ANNUAL COMPENSATION($)
<S>	<C>	<C>
Richard T. Schumacher President and Chief Executive Officer	$166,676	$ 2,008(1)
Kevin W. Quinlan Senior Vice President, Finance and Chief Financial Officer	120,615	1,650(2)
Patricia E. Garrett, Ph.D. Senior Vice President, Regulatory Affairs & Strategic Programs	92,353	1,650(2)
Mark M. Manak, Ph.D. Senior Vice President, Research & Development	102,753	--
Richard C. Tilton, Ph.D. Senior Vice President, Specialty Laboratory Services	111,924	6,000(3)
Barry M. Warren Senior Vice President, Sales & Marketing	113,454	1,500(2)
Ronald V. DiPaolo, Ph.D. Vice President of Operations	86,614	1,500(2)

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(1) Consists of personal usage of Company vehicle, and includes the value of premiums paid for a term life insurance policy.

(2) Consists of automobile allowance, discontinued as of March 31, 1995.

(3) Consists of automobile allowance.
</TABLE>

The following table sets forth the aggregate number and value of options exercisable and unexercisable by the Named Executive Officers during fiscal 1995. No stock options were granted to, or exercised by, any of the Named Executive Officers in fiscal 1995.

FISCAL YEAR-END OPTION VALUES

<TABLE>
<CAPTION>

NAME AND PRINCIPAL POSITION	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT 12/31/95(#) EXERCISABLE/UNEXERCISABLE		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT 12/31/95($)(1) EXERCISABLE/UNEXERCISABLE	
<S>	<C>		<C>	
Richard T. Schumacher President and Chief Executive Officer	127,500	2,500	$ 988,500	$ 16,250
Kevin W. Quinlan Senior Vice President, Finance and Chief Financial Officer	58,000	10,000	403,750	65,000
Patricia E. Garrett, Ph.D. Senior Vice President, Regulatory Affairs & Strategic Programs	41,250	1,250	334,125	5,625
Mark M. Manak, Ph.D. Senior Vice President, Research & Development	26,250	8,750	170,625	56,875
Richard C. Tilton, Ph.D. Senior Vice President, Specialty Laboratory Services	17,500	17,500	105,000	105,000
Barry M. Warren Senior Vice President, Sales & Marketing	7,500	7,500	33,750	33,750
Ronald V. DiPaolo, Ph.D. Vice President of Operations	25,000	1,000	183,900	4,500

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</TABLE>
(1) There was no public trading market for the Common Stock as of December 31, 1995. Accordingly, these values have been calculated on the basis of the assumed initial public offering price of $9.00 per share, less the applicable exercise price.

EMPLOYMENT AGREEMENTS

None of the Company's employees are subject to employment agreements with the Company.

STOCK PLANS

1987 Non-Qualified Stock Option Plan: The Company adopted the 1987 Non-Qualified Stock Option Plan (the "Non-Qualified Plan") to provide an opportunity to employees, officers, directors and consultants employed by or affiliated with the Company or any of its subsidiaries to acquire stock in the Company, to provide increased incentives to such persons to promote the success of the Company's business and to encourage such persons to become affiliated with the Company through the granting of options to acquire its capital stock. Any employee of the Company or of a subsidiary of the Company, including officers, as well as directors of the Company and consultants or providers of services to the Company, are eligible to receive nonqualified stock options under the Non-Qualified Plan. A total of 897,600 shares of Common Stock has been reserved for issuance under the Non-Qualified Plan.

The Non-Qualified Plan is required to be administered by a Committee consisting of at least one member appointed by the Board of Directors, and after the completion of this Offering, consisting of at least two independent members of the Board of Directors. The Committee currently consists of Richard Schumacher, Kevin Quinlan and Henry Malkasian. The Committee has the authority and discretion to determine those persons to whom options shall be granted under the Non-Qualified Plan, to determine the number of shares to be granted, to establish the terms and conditions upon which options may be exercised or transferred, to alter any restrictions or conditions on the options and to make all other determinations necessary or desirable for the administration of the Non-Qualified Plan. The exercise price for options granted under the Non-Qualified Plan is determined by the Committee, but is in no event less than the par value of the Common Stock. Options granted under the Non-Qualified Plan continue in effect for such period as the Committee determines. The Non-Qualified Plan terminates as of December 16, 1997.

As of October 4, 1996, options to purchase 749,850 had been issued pursuant to the Non-Qualified Plan at exercise prices ranging from $.25 to $6.00, including an aggregate of 249,750 shares to the Company's directors, Richard Schumacher, Kevin Quinlan, Francis Capitanio, Henry Malkasian, and Calvin Saravis.

Employee Stock Option Plan: The purpose of the Employee Stock Option Plan (the "Employee Plan") is to provide increased incentives to employees, to encourage new employees to become affiliated with the Company and to associate more closely the interests of such persons with those of the Company. The Employee Plan permits the issuance of options to purchase up to 750,000 shares of Common Stock in the form of incentive stock options as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and non-qualified stock options. The Employee Plan is currently administered by a Committee consisting of at least one member appointed by the Board of Directors, and after the completion of this Offering, shall consist of at least two independent members of the Board of Directors. The exercise price of stock options is determined by the Committee, but is in no event less than par value, and the exercise price of incentive stock options may not be less than the fair market value of the Common Stock on the date of grant (or, in the case of holders of 10% or more of the outstanding Common Stock, 110% of the fair market value on such date). The Committee also determines the vesting schedule, number of shares and other terms of the options. As of October 4, 1996, options to purchase 184,537 shares of Common Stock at exercise prices ranging from $6.00 to $8.50 per share were

outstanding under the Employee Plan.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee currently consists of Messrs. Schumacher and Malkasian and Dr. Saravis, each of whom has received options to purchase shares of Common Stock. See "-- Director Compensation" and "-- Stock Plans."

LIMITATION OF OFFICERS' AND DIRECTORS' LIABILITY; INDEMNIFICATION AGREEMENTS

The Company's Amended and Restated Articles of Organization eliminate, subject to certain exceptions, the personal liability of directors to the Company or its stockholders for monetary damages for breaches of fiduciary duties as directors. The Restated Articles do not provide for the elimination of or any limitation on the personal liability of a director for (i) any breach of the director's duty of loyalty

to the Company or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) certain unauthorized dividends, redemptions or distributions as provided under Section 61 of the Massachusetts Business Corporation Law, (iv) certain loans of assets of the Company to any of its officers or directors as provided under Section 62 of the Massachusetts Business Corporation Law or (v) any transaction from which the director derived an improper personal benefit. This provision of the Amended and Restated Articles of Organization will limit the remedies available to a stockholder in the event of breaches of any director's duties to such stockholder or the Company.

The Company's Amended and Restated Articles of Organization provide that the Company may, either in its By-laws or by contract, provide for the indemnification of directors, officers, employees and agents, by whomever elected or appointed, to the full extent permitted by law, as it may be amended from time to time.

The Company intends to enter into indemnification agreements with each of the directors and officers. The indemnification agreements will provide that the Company will pay certain amounts incurred by a director or officer in connection with any civil or criminal action or proceeding and specifically including actions by or in the name of the Company (derivative suits) where the individual's involvement is by reason of the fact that he is or was a director or officer. Such amounts include, to the maximum extent permitted by law, attorney's fees, judgments, civil or criminal fines, settlement amounts and other expenses customarily incurred in connection with legal proceedings. Under the indemnification agreements, a director or officer will not receive indemnification if he is found not to have acted in good faith in the reasonable belief that his action was in the best interests of the Company.

CERTAIN TRANSACTIONS

Registration Rights. The Company is a party to a Registration Rights Agreement dated June 5, 1990, as amended (the "Registration Agreement"), with G & G Diagnostics Limited Partnership I and G & G Diagnostics Limited Partnership II (together, "G & G") pursuant to which G & G has certain rights to have its shares of Common Stock registered by the Company under the Securities Act. A total of 366,670 shares of Common Stock (the "Registrable Shares") held by G & G or subject to warrants held by G & G may be registered under the Registration Agreement. If the Company proposes to register any of its securities under the Securities Act, either for its own account or for the account of other securityholders, G & G is entitled to notice of the registration and is entitled to include, at the Company's expense, the Registrable Shares therein, provided, among other conditions, that the underwriters have the right to limit the number of such shares included in the registration. In addition, G & G may require the Company at its expense on no more than two occasions, to file a registration statement under the Securities Act with respect to its Registrable Shares, and the Company is required to use its best efforts to effect a registration, subject to certain conditions and limitations. Further, G & G may require the Company at its expense to register the Registrable Shares on Form S-3 when such

form becomes available to the Company, subject to certain conditions and limitations. G & G waived its respective registration rights for this Offering. See "Principal Stockholders."

Warrant Exercise. In May 1995, G & G Diagnostics Limited Partnership II exercised warrants to purchase 40,000 shares of the Company's Common Stock for an exercise price of $2.50 per share or an aggregate amount of $100,000.

Indemnification Contracts. The Company intends to enter into indemnification agreements with each of its directors and officers. See "Management -- Limitation of Officers' and Directors' Liability; Indemnification Agreements."

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information as of October 4, 1996 concerning the beneficial ownership of Common Stock by each director, certain executive officers, all executive officers and directors as a group, and each person known by the Company to be the beneficial owner of 5% or more of the Company's Common Stock. This information is based upon information received from or on behalf of the named individuals. Unless otherwise noted, the beneficial owners listed have sole voting and investment power over the shares listed.

<TABLE>
<CAPTION>

NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENTAGE OF OUTSTANDING SHARES BENEFICIALLY OWNED(1) BEFORE THE OFFERING	PERCENTAGE OF OUTSTANDING SHARES BENEFICIALLY OWNED(1) AFTER THE OFFERING
<S>	<C>	<C>	<C>
5% Stockholders			
Irwin J. Gruverman(2) c/o G & G Diagnostics Limited Partnership I 30 Ossipee Road Newton, MA 02164	412,920	14.71%	9.37%
G & G Diagnostics Limited Partnership II(3)	153,333	5.69	3.57
Directors and Senior Executives			
Richard T. Schumacher(4)(5)	1,013,957	35.89	22.91
Henry A. Malkasian(4)(6)	311,510	11.54	7.24
Kevin W. Quinlan(4)	93,100	3.37	2.13
Patricia E. Garrett(4)	55,000	2.01	1.27
Richard C. Tilton(4)	62,500	2.29	1.44
Mark M. Manak(4)	55,500	2.03	1.28
Barry M. Warren(4)	37,500	1.37	*
Ronald V. DiPaolo(4)	28,000	1.03	*
Calvin A. Saravis(4)	23,000	*	*
Francis E. Capitanio(4)	8,750	*	*
All Executive Officers and Directors as a group (10 Persons)(4)(5)(6)(7)	1,688,817	54.04	35.74

</TABLE>

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* Less than 1% of the outstanding Common Stock.

(1) The number of shares of Common Stock outstanding used in calculating the percentage for each listed person includes the shares of Common Stock underlying options or warrants held by such person.

(2) Includes 283,333 shares held of record by three limited partnerships (including G & G Diagnostics Limited Partnership II), of which Mr. Gruverman is the general partner, 10,000 shares subject to options held by Mr. Gruverman and 106,670 shares subject to warrants held by one of three limited partnerships.

(3) The address for G & G Diagnostics Limited Partnership II is the same as that for Mr. Gruverman. Mr. Gruverman is the beneficial owner of the shares of Common Stock held of record by G & G Limited Partnership II.

(4) Includes the following shares subject to options: Mr. Capitanio -- 8,750, all of which are exercisable within 60 days after October 4, 1996; Dr. DiPaolo -- 28,000, 25,000 of which are exercisable within 60 days after October 4, 1996; Dr. Garrett -- 45,000, 41,250 of which are exercisable within 60 days after October 4, 1996; Mr. Quinlan -- 73,000, 58,000 of which are exercisable within 60 days after October 4, 1996; Mr. Malkasian -- 10,000, all of which are exercisable within 60 days after October 4, 1996; Dr. Manak -- 37,500, 26,250 of which are exercisable within 60 days after October 4, 1996; Dr. Saravis -- 23,000, all of which are exercisable within 60 days after October 4, 1996; Mr. Schumacher --135,000, 127,500 of which are exercisable within 60 days after October 4, 1996; Dr. Tilton -- 37,500, 26,250 of which are exercisable within 60 days after October 4, 1996; and Mr. Warren -- 37,500, 7,500 of which are exercisable within 60 days after October 4, 1996.

(5) Includes 50,000 shares held of record by Mr. Schumacher's spouse and 20,000 shares held of record by Mr. Schumacher as custodian for his daughter. Excludes an aggregate of 144,067 shares held by other relatives of Mr. Schumacher as to which Mr. Schumacher disclaims beneficial ownership.

(6) Includes 12,000 shares held of record by Mr. Malkasian's son, 5,000 shares held by Mr. Malkasian's daughter, 53,850 shares held by Mr. Malkasian's spouse and 30,000 shares held by Mr. Malkasian as trustee in trust for each of his son and his daughter.

(7) Includes 4,000 shares held of record by Mr. Manak as custodian for his daughter.
</TABLE>

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 20,000,000 shares of Common Stock, $0.01 par value (referred to herein as "Common Stock") and 1,000,000 shares of Preferred Stock, $.01 par value (referred to herein as "Preferred Stock").

COMMON STOCK

As of October 4, 1996, there were 2,690,064 shares of Common Stock outstanding, held of record by approximately 130 stockholders.

The holders of Common Stock are entitled to one vote per share on all matters to be voted on by stockholders and are entitled to receive such dividends, if any, as may be declared from time to time by the Board of Directors from funds legally available therefor. The holders of Common Stock do not have cumulative voting rights in the election of directors. Upon liquidation or dissolution of the Company, the holders of Common Stock are entitled to receive all assets available for distribution to the stockholders. The Common Stock has no preemptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares. All of the shares of Common Stock are, and the shares to be sold in this Offering will be, fully paid and nonassessable.

PREFERRED STOCK

The Company is authorized to issue up to 1,000,000 shares of Preferred Stock, none of which are outstanding. The Board of Directors may, without future action of the stockholders of the Company, issue the Preferred Stock in one or more classes or series and fix the rights and preferences thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption price or prices, liquidation preferences and the number of shares constituting any class or series, or the designations of such class or series. The voting and other rights of the holders of Common Stock may be subject to and adversely affected by, the rights of holders of any Preferred Stock that may be issued in the future.

MASSACHUSETTS ANTI-TAKEOVER AND RELATED STATUTES

Control Share Acquisition Law. Under Chapter 110D of the Massachusetts

General Laws governing "control share acquisitions," any stockholder of certain publicly-held Massachusetts corporations who acquires certain ranges of voting power -- one-fifth or more but less than one-third of all voting power, one-third or more but less than a majority of all voting power, or a majority or more of all voting power -- may not (except in certain transactions) vote such stock unless the stockholders (excluding the shares held by the interested stockholders) of the corporation so authorize. As permitted by Chapter 110D, the Company's Amended and Restated By-laws include a provision which excludes the Company from the applicability of that statute upon completion of the Offering.

Business Combination Statute. Chapter 110F of the Massachusetts General Laws, entitled "Business Combinations with Interested Shareholders," applies to publicly-held Massachusetts corporations with 200 or more stockholders of record. Generally, this statute prohibits such Massachusetts corporations from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date of the transaction in which the person becomes an interested stockholder unless (a) the interested stockholder obtains the approval of the corporation's board of directors prior to becoming an interested stockholder; (b) the interested stockholder acquires at least 90% of the voting stock of the corporation (excluding shares held by certain affiliates of the corporation) outstanding at the time he becomes an interested stockholder; or (c) the business combination is both approved by the board of directors and authorized at an annual or special meeting of stockholders by the holders of at least two-thirds of the outstanding voting stock of the corporation (excluding shares held by the interested stockholder). An "interested stockholder" is a person who, together with

affiliates and associates, owns (or at any time within the prior three years did own) 5% or more of the outstanding voting stock of the Corporation. A "business combination" includes, among other transactions, a merger, stock or asset sale and other transactions resulting in a financial benefit to the stockholder. The Amended and Restated Articles of Organization and Restated By-laws of the Company do not expressly provide for opting out of the provisions of Chapter 110F. As a result, the application of this statute to the Company after completion of this Offering could discourage or make it more difficult for any person or group of persons to attempt to obtain control of the Company. The Company may at any time amend its Amended and Restated Articles of Organization or Restated By-laws to elect not to be governed by Chapter 110F, by a vote of the holders of a majority of its voting stock, but such an amendment would not be effective for twelve months and would not apply to a business combination with any person who became an interested stockholder prior to the date of the amendment.

CERTAIN PROVISIONS OF THE COMPANY'S AMENDED AND RESTATED ARTICLES OF ORGANIZATION AND AMENDED AND RESTATED BY-LAWS

The Company's Amended and Restated Articles of Organization include several provisions which may render more difficult an unfriendly tender offer, proxy contest, merger or other change in control of the Company. See "Risk Factors -- Possible Adverse Effect of Certain Anti-takeover Provisions."

Preferred Stock. The Amended and Restated Articles of Organization permit the Board of Directors to issue preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, without further vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of the Company and may adversely affect the voting and other rights of the holders of Common Stock. The Company currently has no plans to issue any preferred stock.

Classification of Board of Directors. The Amended and Restated Articles of Organization provide for the classification of the Company's Board of Directors into three classes, with the classes being elected for staggered three-year terms. At each annual meeting of stockholders, directors will be elected to succeed those in the class whose term then expires, and each elected director shall serve for a term expiring at the third succeeding annual meeting of stockholders after such director's election, and until the director's successor is elected and qualified. Thus, directors stand for election only once in three

years. This provision also restricts the ability of stockholders to enlarge the Board of Directors. Changes in the number of Directors may be effected by a vote of a majority of the Continuing Directors (as defined in the Amended and Restated Articles of Organization) or by the stockholders by vote of at least 80% of the shares of the Company's voting stock outstanding, voting as a single class. Under this provision, Directors may only be removed with or without cause by the affirmative vote of the holders at least 80% of the combined voting power of the outstanding shares of the Company's voting stock, voting together as a single class, or upon the vote of a majority of the Continuing Directors.

Fair Price Provision. The Amended and Restated Articles of Organization contain a "Fair Price Provision" that is intended to protect stockholders who do not tender their shares in a takeover bid by guaranteeing them a minimum price for their shares in any subsequent attempt to purchase such remaining shares at a price lower than the acquiror's original acquisition price. The Fair Price Provision requires the affirmative vote of the holders of at least 80% of the Company's outstanding voting stock for certain business combinations with a Related Person, unless specified price criteria and procedural requirements are met or the business combination is approved by a majority of the Continuing Directors.

Indemnification Provision. The Amended and Restated Articles of Organization provide that the Company may, either in its By-laws or by contract, provide for the indemnification of directors, officers, employees and agents, by whomever elected or appointed, to the full extent permitted by applicable law, as it may be amended from time to time. See "-- Limitation of Officers' and Directors' Liability; Indemnification Agreements."

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Common Stock is American Securities Transfer & Trust, Inc.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this Offering, there has been no public market for the Common Stock. Future sales of substantial amounts of Common Stock in the public market could adversely affect the market price of the Common Stock.

Upon completion of this Offering, the Company will have 4,290,064 shares of Common Stock outstanding (4,530,064 shares if the Underwriters' overallotment option is exercised in full). Of those shares, the 1,600,000 shares sold in this Offering (1,840,000 shares if the Underwriters' overallotment option is exercised in full) will be freely tradeable without restriction (except as to affiliates of the Company) or further registration under the Securities Act. The remaining 2,690,064 shares of Common Stock were sold by the Company in reliance on exemptions from the registration requirements of the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act. All of the Company's directors and executive officers and certain other stockholders, holding in the aggregate 2,555,244 shares of Common Stock, have agreed not to offer to sell, sell or otherwise dispose of any shares of Common Stock prior to the expiration of 180 days from the date of this Prospectus. Oscar Gruss & Son Incorporated may, in its sole discretion and at any time without prior notice, release all or any portion of the shares of Common Stock subject to the lockup agreements.

Beginning 91 days after the date of this Prospectus, 6,475 shares of Common Stock will be eligible for sale in the public market without registration, subject to certain volume and other limitations, pursuant to Rule 144 or Rule 701 under the Securities Act of 1933, as amended (the "Securities Act") and an additional 122,571 shares will be eligible for sale without such restrictions. Following the expiration of the 180-day lockup period, an additional 1,643,197 shares of Common Stock will be eligible for sale in the public market without registration, subject to certain volume and other limitations, pursuant to Rule 144 or Rule 701 under the Securities Act and an additional 734,425 shares will

be eligible for sale without such restrictions. The remaining shares of Common Stock held by existing stockholders will become eligible for sale under Rule 144 or otherwise at various times thereafter. All shares of Common Stock outstanding on the date of this Prospectus will be eligible for sale to certain qualified institutional buyers in accordance with Rule 144A under the Securities Act.

In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated), including an affiliate of the Company, may sell in the open market within any three-month period a number of shares that does not exceed the greater of (i) 1% of the then-outstanding shares of the Company's Common Stock or (ii) the average weekly trading volume in the over-the-counter market during the four calendar weeks preceding such sale, provided that a minimum of two years has elapsed between the later of the date of acquisition of the securities from the issuer or from an affiliate of the issuer. The holding period of shares of a non-affiliate for this purpose includes the holding period of all prior non-affiliate holders, provided that if an affiliate has held such shares at any time, the holding period shall commence upon the sale to a non-affiliate by the last affiliate to hold the shares. Sales under Rule 144 are also subject to certain limitations on the manner of sale, notice requirement and availability of current public information about the Company. Under Rule 144(k), a non-affiliate who holds restricted securities and who has not been affiliated with the Company during the three-month period preceding the proposed sale thereof may sell such securities without regard to conditions imposed by Rule 144 if at least three years have elapsed from the sale of such securities by the Company or any affiliate. The Securities and Exchange Commission has proposed amendments to Rule 144, including an amendment which would reduce the waiting period to one year.

Under Rule 701 of the Securities Act, persons who purchased shares pursuant to an employee stock purchase program or upon exercise of options granted prior to the effective date of this Offering are entitled, subject to certain conditions and limitations of Rule 701, to sell such shares 90 days after the effective date of this Offering in reliance upon Rule 144, without regard to the holding period requirement of Rule 144 and, in the case of non-affiliates, without compliance with the public information, volume limitation or notice provisions of Rule 144.

The Company intends to register under the Securities Act shortly after the consummation of the offering an aggregate of 1,647,600 shares of Common Stock issued or issuable upon exercise of employee stock options granted under the Non-Qualified Plan and the Employee Plan, including 934,387 shares issuable upon exercise of such options outstanding on the date of this Prospectus. Two of the Company's stockholders and the holder of a warrant to purchase Common Stock have the right to cause the Company to register their shares under the Securities Act and to include their shares in certain future registrations of securities effected by the Company under the Securities Act. An aggregate of 627,650 shares of Common Stock, including 226,670 shares of Common Stock issuable upon exercise of outstanding warrants are covered by such registration rights. See "Risk Factors -- Shares Eligible for Future Sale," "Certain Transactions -- Registration Rights" and "Principal Stockholders."

UNDERWRITING

The Underwriters named below, for whom Oscar Gruss & Son Incorporated and Kaufman Bros., L.P. are acting as the Representatives (the "Representatives"), have severally agreed, subject to the terms and conditions contained in the Underwriting Agreement, to purchase from the Company the number of shares of Common Stock set forth opposite their respective names below.

<TABLE>
<CAPTION>

NAME	NUMBER OF SHARES
<S>	<C>
Oscar Gruss & Son Incorporated	
Kaufman Bros., L.P.	

TOTAL	1,600,000

</TABLE>

The Underwriting Agreement provides that the several Underwriters are obligated to purchase all of the 1,600,000 shares of Common Stock offered by the Underwriters hereby (other than shares which may be purchased under the over-allotment option) if any are purchased. The Representatives have advised the Company that the Underwriters propose to offer the shares to the public initially at the public offering price set forth on the cover page of this Prospectus, that the Underwriters may allow to selected dealers a concession of $_____ per share and that such dealers may reallow a concession of $_____ per share to certain other dealers. After the initial public offering, the offering price and the concessions may be changed by the Representatives. The Representatives have informed the Company that the Underwriters do not intend to confirm sales to any accounts over which they exercise discretionary authority.

The Company has granted to the Underwriters an option, expiring at the close of business on the 30th day after the date of the Underwriting Agreement, to purchase up to 240,000 additional shares of Common Stock at the public offering price less underwriting discounts and commissions, all as set forth on the cover page of this Prospectus. The Underwriters may exercise the option only to cover over-allotments, if any, in the sale of shares of Common Stock in this Offering. To the extent that the Underwriters exercise the option, each Underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage thereof that the number of shares to be purchased by each of them as shown in the foregoing table bears to the 1,600,000 shares of Common Stock offered hereby.

The Company has agreed to pay to the Representatives a non-accountable expense allowance of one percent of the gross proceeds of the Offering ($144,000 if the Underwriters' over-allotment option is not exercised and $165,600 if the Underwriters' overallotment option is exercised in full, at an assumed public offering price of $9.00 per share), of which $40,000 has been paid to date. If the Offering is not consummated, the Representatives will return to the Company any unused portion of the pre-paid expense allowance. The Company has also agreed to pay all expenses in connection with registering or qualifying the Common Stock offered hereby for sale under the laws of the states in which the Common Stock is sold by the Underwriters (including expenses of counsel retained for such purposes by the Underwriters) as well as certain expenses associated with information meetings.

The Company has agreed to sell to the Representatives, or their designees, warrants (the "Underwriters' Warrants") to purchase 160,000 shares of the Company's Common Stock at an aggregate purchase price of $_____. The exercise price per Underwriters' Warrant, subject to anti-dilution adjustment, is equal to 135% of the public offering price per share of Common Stock offered hereby. The Underwriters' Warrants expire on the fifth anniversary of the closing date of the Offering. The Underwriters' Warrants may not be transferred or exercised for one year from the date of this Prospectus, except for transfers to officers of the Representatives or members of the underwriting or selling group and/or their officers or

partners, if any. The Underwriters' Warrants become exercisable during the four-year period commencing one year from the date of this Prospectus (the "Warrant Exercise Term"). During the Warrant Exercise Term, the holders of the Underwriters' Warrants are given, at nominal cost, the opportunity to profit from an increase in the market price of the Company's Common Stock. The Company has granted the Representatives certain registration rights with respect to the Underwriters' Warrants. All registration rights will terminate seven years from the closing date of the Offering.

Except as set forth below, the Company, its officers and directors, and certain of its stockholders, who will hold an aggregate of 2,555,244 shares after this Offering, have agreed that they will not, directly or indirectly, offer, sell, offer to sell, contract to sell, grant any option to purchase or otherwise sell or dispose of any shares of Common Stock or other capital stock of the Company or any securities convertible into, or exercisable or

exchangeable for, any shares of Common Stock or other capital stock of the Company for a period of 180 days after the date of this Prospectus without the prior written consent of Oscar Gruss & Son Incorporated on behalf of the Underwriters. Oscar Gruss & Son Incorporated may, in its sole discretion and at any time without prior notice, release all or any portion of the shares of Common Stock subject to these "lock-up" agreements.

Prior to this Offering, there has not been any public market for the Common Stock. Consequently, the initial public offering price of the Common Stock offered hereby will be determined through negotiations between the Company and the Representatives. Among the factors to be considered in making such determination will be the prevailing market conditions, the Company's fiscal and operating history and condition, the Company's prospects and the prospects of its industry, the management of the Company, the market price for securities for companies in businesses similar to that of the Company and the recent trading activity and prices of shares of common stock on the Nasdaq National Market. The estimated initial public offering price range set forth on the cover page of this Prospectus is subject to change as a result of market conditions and other factors. See "Risk Factors -- No Assurance of Public Market; Volatility of Stock Price."

Kaufman Bros., L.P. became registered as a broker-dealer in July 1995 and has participated in a limited number of public offerings as an underwriter. See "Risk Factors -- Lack of Underwriting History."

The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon for the Company by Brown, Rudnick, Freed & Gesmer, Boston, Massachusetts. Certain legal matters in connection with the Common Stock offered hereby will be passed upon for the Underwriters by Fulbright & Jaworski L.L.P., New York, New York. A member of Brown, Rudnick, Freed & Gesmer, counsel to the Company, is Clerk and is the owner of 12,000 shares of the Company's Common Stock.

EXPERTS

The consolidated balance sheets of Boston Biomedica, Inc. and Subsidiaries as of December 31, 1994 and 1995 and the consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1995, included in this prospectus, have been included herein in reliance on the report of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission"), Washington, D.C. 20549, a Registration Statement on Form S-1 (the "Registration Statement") under the Securities Act with respect to the Common Stock offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto. For

further information with respect to the Company and the Common Stock, reference is made to the Registration Statement and the exhibits and schedules thereto. Statements contained in this Prospectus as to the contents of any contract or other document are not necessarily complete and, in each instance where such contract or document is filed as an exhibit to the Registration Statement, reference is made to the copy of such contract or document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. A copy of the Registration Statement may be inspected without charge at the offices of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices located at Seven World Trade Center, 13th Floor, New York, New York 10048, and at 500

West Madison Street, Northwestern Atrium Center, Suite 1400, Chicago, Illinois 60661-2511. Copies of materials can also be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission maintains a World Wide Web site on the Internet at http://www.sec.gov that contains registration statements, reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

The Company intends to distribute to its stockholders annual reports containing consolidated financial statements audited by its independent accountants and will make available copies of quarterly reports for the first three quarters of each fiscal year containing unaudited consolidated financial information.

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
INDEX TO FINANCIAL STATEMENTS

<TABLE>
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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
BOSTON BIOMEDICA, INC.:

We have audited the accompanying consolidated balance sheets of Boston Biomedica, Inc. and Subsidiaries as of December 31, 1994 and 1995 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1995. 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 generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boston Biomedica, Inc. and Subsidiaries as of December 31, 1994 and 1995 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

Boston, Massachusetts
March 12, 1996, except as to the information
in the first paragraph of Note 11,
for which the date is September 10, 1996

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	DECEMBER 31,		JUNE 30, 1996	
	1994	1995	ACTUAL	PRO FORMA
			(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>
ASSETS				
CURRENT ASSETS:				
Cash	$ 89,129	$ 11,463	$ 10,548	$ 10,548
Accounts receivable, less allowances of $94,723 in 1994, $142,372 in 1995 and $133,579 in 1996	2,259,842	3,075,870	2,866,401	2,866,401
Inventories (Notes 1 & 3)	3,609,516	3,676,851	3,865,219	3,865,219
Prepaid expense and other	156,117	254,199	294,646	294,646
Deferred income taxes (Note 7)	101,880	110,766	213,538	213,538
Total current assets	6,216,484	7,129,149	7,250,352	7,250,352
Property and equipment, net (Notes 1 & 4)	1,724,420	2,614,982	2,625,117	2,625,117
OTHER ASSETS:				
Notes receivable and other	22,079	83,422	79,037	79,037
Goodwill and other intangibles, net (Notes 1 & 2)	112,521	100,820	92,777	92,777
	134,600	184,242	171,814	171,814
TOTAL ASSETS	$ 8,075,504	$9,928,373	$10,047,283	$10,047,283
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current maturities of long term debt (Note 6)	$ 242,006	$ 436,509	$ 490,126	$ 490,126
Accounts payable	787,406	745,216	815,946	815,946

Accrued compensation	361,911	395,755	488,223	488,223
Other accrued expenses	139,052	199,334	127,712	127,712
Deferred revenue	--	523,401	831,244	831,244
Total current liabilities	1,530,375	2,300,215	2,753,251	2,753,251
LONG-TERM LIABILITIES:				
Long-term debt, less current maturities (Note 6)	3,179,526	4,215,501	2,797,581	2,797,581
Deferred rent	186,860	141,068	107,832	107,832
Deferred income taxes (Note 7)	137,520	84,641	157,899	157,899
COMMITMENTS AND CONTINGENCIES (Note 8)				
REDEEMABLE COMMON STOCK (Note 11)				
$.01 par value; 117,647 shares authorized, issued and outstanding	--	--	898,503	--
STOCKHOLDERS' EQUITY (Note 10):				
Common stock, $.01 par value; authorized 15,000,000 shares in 1994, 1995 and 1996; issued and outstanding 2,578,865 in 1994; issued 2,640,417 in 1995; issued and outstanding 2,572,417 in 1996 actual and 2,690,064 pro forma	25,789	26,404	25,724	26,901
Additional paid-in capital	2,612,500	2,798,620	2,717,700	3,615,026
Retained earnings	402,934	505,924	588,793	588,793
	3,041,223	3,330,948	3,332,217	4,230,720
Less treasury stock, at cost -- 80,000 shares	--	(144,000)	--	--
Total stockholders' equity	3,041,223	3,186,948	3,332,217	4,230,720
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 8,075,504	$9,928,373	$10,047,283	$10,047,283

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
				(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>	<C>
REVENUE:					
Product sales	$ 3,942,328	$ 5,981,378	$ 6,621,631	$ 3,024,629	$ 3,945,759
Services	5,214,688	4,741,376	5,649,099	2,539,851	2,982,624
Total revenue	9,157,016	10,722,754	12,270,730	5,564,480	6,928,383
COSTS AND EXPENSES:					
Cost of product sales	2,087,771	3,194,217	3,564,241	1,646,594	2,006,833
Cost of services	3,965,154	3,415,777	4,167,625	1,960,315	2,249,610
Research and development	278,859	469,358	375,712	159,035	361,619
Selling and marketing	894,202	1,191,573	1,339,792	637,567	915,289
General and administrative	1,619,331	2,047,256	2,315,814	1,056,590	1,088,448
Total operating costs and expenses	8,845,317	10,318,181	11,763,184	5,460,101	6,621,799
Income from operations	311,699	404,573	507,546	104,379	306,584

Interest expense, net	178,640	243,694	335,899	164,569	168,469
Income (loss) before income taxes and extraordinary item	133,059	160,879	171,647	(60,190)	138,115
(Provision) benefit (for) from income taxes (Notes 1 & 7)	(40,473)	(64,351)	(68,657)	24,034	(55,246)
Income (loss) before extraordinary item	92,586	96,528	102,990	(36,156)	82,869
Extraordinary item-gain on elimination of debt (Notes 6 & 7), net of income taxes of $33,157	49,736	--	--	--	--
Net income (loss)	$ 142,322	$ 96,528	$ 102,990	$ (36,156)	$ 82,869
Income (loss) per share:					
Before extraordinary gain	$ 0.04	$ 0.04	$ 0.04	$ (0.01)	$ 0.03
Extraordinary gain	0.02	--	--	--	--
Net income (loss)	$ 0.06	$ 0.04	$ 0.04	$ (0.01)	$ 0.03
Weighted average common and common equivalent shares outstanding	2,437,725	2,587,137	3,151,477	2,597,590	3,252,643

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

	COMMON STOCK		ADDITIONAL		TOTAL	
	$.01 PAR		PAID-IN	RETAINED	TREASURY	STOCKHOLDERS'
	SHARES	VALUE	CAPITAL	EARNINGS	STOCK	EQUITY
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE, December 31, 1992	2,280,040	$ 22,800	$ 1,635,830	$ 164,084	--	$ 1,822,714
Issuance of common stock	201,298	2,013	711,318	--	--	713,331
Stock options and warrants exercised	33,000	330	65,420	--	--	65,750
Conversion of note payable	10,690	107	17,532	--	--	17,639
Net income	--	--	--	142,322	--	142,322
BALANCE, December 31, 1993	2,525,028	25,250	2,430,100	306,406	--	2,761,756
Issuance of common stock	29,862	299	139,403	--	--	139,702
Stock options and warrants exercised	23,975	240	30,197	--	--	30,437
Tax benefit of stock options exercised	--	--	12,800	--	--	12,800
Net income	--	--	--	96,528	--	96,528
BALANCE, December 31, 1994	2,578,865	25,789	2,612,500	402,934	--	3,041,223
Issuance of common stock	8,535	85	58,160	--	--	58,245
Stock options and warrants exercised	47,200	472	117,068	--	--	117,540
Conversion of note payable	5,817	58	9,542	--	--	9,600
Treasury stock purchased -- 80,000 shares	--	--	--	--	$ (144,000)	(144,000)
Tax benefit of stock options exercised	--	--	1,350	--	--	1,350
Net income	--	--	--	102,990	--	102,990
BALANCE, December 31, 1995	2,640,417	26,404	2,798,620	505,924	(144,000)	3,186,948
Stock options and warrants exercised (unaudited)	12,000	120	62,280	--	--	62,400
Issuance of treasury stock -- 80,000 shares (unaudited)	(80,000)	(800)	(143,200)	--	144,000	--
Net income (unaudited)	--	--	--	82,869	--	82,869

BALANCE, June 30, 1996 (unaudited)	2,572,417	$ 25,724	$ 2,717,700	$ 588,793	--	$ 3,332,217

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

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

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
				(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (loss)	$ 142,322	$ 96,528	$ 102,990	$ (36,156)	$ 82,869
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:					
Depreciation and amortization	301,004	360,512	441,356	202,693	280,426
Provision for doubtful accounts	22,956	102,099	181,084	53,643	77,145
Deferred rent	99,708	5,908	(45,792)	(12,556)	(33,236)
Deferred income taxes	42,323	(42,798)	(61,765)	(74,809)	(29,514)
Tax benefit of stock options exercised	--	12,800	1,350	--	--
Extraordinary item-gain on elimination of debt	(49,736)	--	--	--	--
Changes in operating assets and liabilities:					
Accounts receivable	(215,270)	(529,157)	(997,112)	11,403	132,324
Note receivable and other assets	(17,002)	(3,720)	(61,343)	(12,962)	4,385
Inventories	(950,715)	(567,420)	(67,335)	77,857	(188,368)
Prepaid expenses	25,410	(3,500)	(98,082)	(79,496)	(40,447)
Accounts payable	11,875	(86,130)	(42,190)	35,834	70,730
Accrued expenses	160,021	100,767	94,126	(60,639)	20,846
Deferred revenue	--	--	523,401	--	307,843
Net cash (used in) provided by operating activities	(427,104)	(554,111)	(29,312)	104,812	685,003
CASH FLOWS FOR INVESTING ACTIVITIES:					
Additions to property and equipment	(460,591)	(404,639)	(1,316,217)	(215,542)	(282,518)
Purchase of intangible assets	--	--	(4,000)	--	--
Net assets of acquisitions (net of cash acquired)	(389,703)	--	--	--	--
Net cash used in investing activities	(850,294)	(404,639)	(1,320,217)	(215,542)	(282,518)
CASH FLOWS FOR FINANCING ACTIVITIES:					
Proceeds from notes payable	1,107,392	1,734,425	1,517,867	191,990	226,300
Proceeds from redeemable common stock, net	--	--	--	--	898,503
Proceeds of common stock issued, net	765,081	170,139	175,785	103,126	62,400
Repayments of long-term debt	(613,199)	(887,989)	(277,789)	--	(1,590,603)
Purchase of treasury stock	--	--	(144,000)	(144,000)	--
Net cash (used in) provided by financing activities	1,259,274	1,016,575	1,271,863	151,116	(403,400)
(DECREASE) INCREASE IN CASH:	(18,124)	57,825	(77,666)	40,386	(915)
Cash, beginning of period	49,428	31,304	89,129	89,129	11,463
Cash, end of period	$ 31,304	$ 89,129	$ 11,463	$ 129,515	$ 10,548

SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:					
Conversion of note payable to common stock	$ 17,639	--	$ 9,600	$ 9,600	--
SUPPLEMENTAL INFORMATION:					
Income taxes paid	$ 10,689	$ 33,718	$ 168,994	$ 129,100	$ 85,000
Interest paid	$ 163,831	$ 254,133	$ 331,495	$ 163,735	$ 178,328

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(1) BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Boston Biomedica, Inc. ("BBI") and Subsidiaries (together, the "Company") provide infectious disease diagnostic products, contract research and specialty infectious disease testing services to the in-vitro diagnostic industry, government agencies, blood banks, hospitals and other health care providers worldwide.

Significant accounting policies followed in the preparation of these consolidated financial statements are as follows:

(i) Principles of Consolidation

The consolidated financial statements include the accounts of BBI and its wholly-owned subsidiaries, Biotech Research Laboratories, Inc. ("BTRL") and BBI-North American Clinical Laboratories, Inc. ("BBI-NACL"). All significant intercompany accounts and transactions have been eliminated in the consolidation.

(ii) Reclassification

Certain amounts included in the prior year's financial statements have been reclassified to conform to the current presentation.

(iii) Use of Significant Estimates

To prepare the financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, the Company records reserves for estimates regarding the collectability of accounts receivable. Actual results could differ from the estimates and assumptions used by management.

(iv) Revenue Recognition

Product revenues are recognized as sales upon shipment of the products or, for specific orders at the request of the customer, on a bill and hold basis after completion of manufacture. All bill and hold transactions meet specified revenue recognition criteria which include normal billing, credit and payment terms, and transfer to the customers of all risks and rewards of ownership. Accounts receivable as of December 31, 1995 and June 30, 1996 include bill and hold receivables of $179,000 and $85,000, respectively. There were no such receivables as of December 31, 1993 and 1994.

The Company periodically enters into barter transactions whereby the Company exchanges inventory for testing services. Revenue on these transactions are recognized when both the products have been shipped and the testing services have been completed and are recorded at the estimated fair market value of the inventory based upon standard Company prices. The revenue recognized on these

transactions for the years ended December 31, 1993, 1994 and 1995 and for the six months ended June 30, 1995 and 1996 was $30,000, $192,000, $213,000, $126,000 and $191,000, respectively.

Services are recognized as revenue upon completion of tests for specialty laboratory services.

Revenue under long-term contracts, including funded research and development contracts, is recorded under the percentage of completion method, wherein costs plus profit is recorded as service revenue and billed monthly as the work is performed. Certain customers make advance payments that are deferred until revenue recognition is appropriate. Unbilled amounts for fee retainage are included in accounts receivable at

(1) BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

December 31, 1994, 1995, and June 30, 1996, and are immaterial. When the current contract estimates indicate a loss, provision is made for the total anticipated loss. The Company does not believe there are any material collectability issues associated with these receivables.

Total revenue related to funded research and development contracts was approximately $1,721,000, $660,000, $728,000, $278,000 and $598,000 for the years ended December 31, 1993, 1994 and 1995 and for the six months ended June 30, 1995 and 1996, respectively. Total contract costs associated with these agreements were approximately $1,392,000, $511,000, $575,000, $219,000 and $553,000 for the years ended December 1993, 1994 and 1995 and for the six months ended June 30, 1995 and 1996, respectively.

(v) Research and Development Costs

Research and development costs are expensed as incurred.

(vi) Inventories

Inventories are stated at the lower of average cost or net realizable value and include material, labor and manufacturing overhead.

(vii) Property and Equipment

Property and equipment are stated at cost. For financial reporting purposes, depreciation is recognized using accelerated and straight-line methods, allocating the cost of the assets over their estimated useful lives ranging from five years to ten years for certain manufacturing and laboratory equipment, and fifteen years for the building. Upon retirement or sale, the cost and related accumulated depreciation of the asset are removed from the books. Any resulting gain or loss is credited or charged to income.

(viii) Goodwill and Intangibles

Goodwill results from excess of the purchase prices over the net assets of BTRL and BBI-NACL acquired and is amortized on a straight line basis over ten years. Other intangibles primarily consist of patents, licenses, and intellectual property rights and are amortized over five to ten years.

(ix) Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred taxes arise from temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected

to reverse. A valuation allowance is provided for net deferred tax assets if, based on the weighted available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Tax credits are recognized when realized using the flow through method of accounting.

(x) Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are principally cash and accounts receivable. The Company places its cash in federally chartered banks, each of which is insured up to $100,000 by the Federal Deposit Insurance Corporation. Concentration of credit risk with respect to accounts receivable is limited to certain customers to whom the Company

(1) BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

makes substantial sales. The Company does not require collateral from its customers. To reduce risk, the Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable credit risk exposure is limited.

(xi) Interim Consolidated Financial Statements

The consolidated financial statements as of June 30, 1996 and for the six months ended June 30, 1995 and 1996 and related footnote information are unaudited and have been prepared on a basis substantially consistent with the audited consolidated financial statements, and, in the opinion of management, include all adjustments (consisting of only normal recurring adjustments) necessary for fair presentation of the results of these interim periods. The results of the six months ended June 30, 1996 are not necessarily indicative of the results to be expected for the entire year.

(xii) Deferred Revenue

Deferred revenue consists of payments received from customers in advance of services performed.

(xiii) Computation of Income (Loss) Per Share

Net income (loss) per common share is computed based upon the weighted average number of common shares and common equivalent shares (using the treasury stock method) outstanding after certain adjustments described below. Common equivalent shares consist of common stock options and warrants outstanding. In accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 83, all common, redeemable common, and common equivalent shares issued during the twelve month period prior to the proposed date of the initial filing of the Registration Statement have been included in the calculation as if they were outstanding for all periods using the treasury stock method and assuming an initial public offering price of $9.00 per share. Fully diluted net income (loss) per common share is not presented as it does not differ from primary earnings per share.

(xiv) Recent Accounting Pronouncements

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS 121"). SFAS 121 requires that an impairment loss be recognized for long-lived assets and certain identified intangibles when the carrying amount of these assets may not be recoverable. The Company has adopted SFAS 121 effective in 1996 and the adoption did not have a material impact on the financial statements.

In October 1995, the FASB issued Statement of Financial Accounting Standards No. 123 ("SFAS 123") "Accounting for Stock-Based Compensation," which becomes effective for fiscal years beginning after December 15, 1995. SFAS 123 establishes new financial accounting and reporting standards for stock-based compensation plans. However, entities are allowed to elect whether to measure compensation expense for stock-based compensation under SFAS 123 or APB No. 25, "Accounting for Stock Issued to Employees." The Company has elected to continue to account under APB No. 25 and will make the required pro forma disclosures of net income and earnings per share as if the provisions of SFAS 123 had been applied in its December 31, 1996 financial statements. The potential impact of adopting this standard on the Company's pro forma disclosures of net income and earnings per share has not been quantified at this time.

(xv) Pro Forma Presentation (Unaudited)

As discussed further in Note 11, completion of a public offering will terminate the redemption feature of the Redeemable Common Stock and cause its reclassification into 117,647 shares of common stock. The unaudited pro forma balance sheet has been prepared assuming the reclassification of the Redeemable Common Stock into common stock as of June 30, 1996.

(2) ACQUISITION

Effective January 1, 1993, North American Laboratory, Inc., a Massachusetts corporation and wholly-owned subsidiary of BBI, acquired the net assets of North American Laboratory Group, Ltd., Inc. from its founder and chief scientific officer, who remains in this same capacity. During 1995, the name was changed to BBI-North American Clinical Laboratories, Inc. BBI-NACL is a specialty infectious disease testing laboratory providing testing services to hospitals and other health care providers. The purchase price was $425,000 in cash representing $375,038 of net tangible assets (including cash of $35,297) and $49,962 of goodwill and other intangibles.

(3) INVENTORIES

The Company purchases human plasma and serum from various private and commercial blood banks. Upon receipt, such purchases generally undergo comprehensive testing, and associated costs are included in the value of raw materials. Most plasma is manufactured into Basematrix and other diagnostic components to customer specifications. Plasma and serum with the desired antibodies or antigens are sold or manufactured into Quality Control Panels, Accurun(tm) run controls, and reagents ("Finished Goods"). Panels and reagents are unique to specific donors and/or collection periods, and require substantial time to characterize and manufacture due to stringent technical specifications. Panels play an important role in diagnostic test kit development, licensure and quality control. Panels are manufactured in quantities sufficient to meet expected user demand which may exceed one year.

Inventories consist of the following:

<TABLE>
<CAPTION>

	DECEMBER 31,		
	1994	1995	JUNE 30, 1996
			(UNAUDITED)
<S>	<C>	<C>	<C>
Raw materials	$ 1,548,560	$ 1,298,131	$ 1,272,687

Work-in-process	551,280	565,667	597,922
Finished goods	1,509,676	1,813,053	1,994,610
	$ 3,609,516	$ 3,676,851	$ 3,865,219

(4) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 1994 and 1995 consist of the following:

	1994	1995
Laboratory equipment	$1,442,349	$1,630,872
Management information systems	609,923	834,768
Office equipment	249,544	332,496
Automobiles	176,315	178,465
Leasehold improvements	300,341	108,892
Land, building and improvements	--	941,175
	2,778,472	4,026,668
Less accumulated depreciation	1,054,052	1,411,686
Net book value	$1,724,420	$2,614,982

Depreciation expense for the years ended December 31, 1993, 1994 and 1995 and the six months ended June 30, 1995 and 1996 was $286,456, $345,228, $425,655, $194,236 and $272,383, respectively.

(5) REVENUE FROM SIGNIFICANT CUSTOMERS AND EXPORT SALES

The Company performs contract research and certain services under contracts, subcontracts and grants from United States Government Agencies, primarily the National Institutes of Health ("NIH"). Revenue from such contracts, subcontracts and grants was approximately $2,707,000 in 1993, $1,677,000 in 1994, and $1,628,000 in 1995.

Export sales accounted for approximately $1,411,000, or 15% of consolidated revenue in 1993; $2,279,000, or 21% in 1994; $3,104,000, or 25% in 1995; and $1,523,000, or 27%, and $1,877,000, or 27% for the six months ended June 30, 1995 and 1996, respectively.

(6) LONG TERM DEBT

In August 1995, the Company's revolving line of credit ("Revolver") was increased to $3,500,000 and the due date extended to June 30, 1997. In July 1996, the due date of the Company's Revolver was extended to June 30, 1998, and the interest rate reduced to prime plus 1/2 %. In addition, the Company borrowed $200,000 under a five-year term loan approved in 1994 ($170,370 outstanding at December 31, 1995), $100,000 under a five-year term loan, and $123,700 under a $350,000 five year term loan facility for equipment acquisitions approved in 1995 ("New Term"). As of December 31, 1995, the Company had additional borrowing capacity available under the New Term facility equal to $226,300. The Company borrowed this amount prior to the facility expiration date of May 2, 1996. In July 1996, the Company received approval for a $250,000, five year equipment

facility loan from its bank due July 31, 2001 at a rate of prime plus 1%.

Borrowings under the Revolver are limited to 80% of eligible accounts receivable plus the lesser of 40% of inventory or $1,500,000. The Company had approximately $657,000 and $2,028,000 available under it's Revolver as of December 31, 1995 and June 30, 1996, respectively. Amounts outstanding under the Revolver bear interest at the lender's base rate plus 1% (9.75% at December 31, 1995 and 9.25% at June 30, 1996) and are collateralized by all of the Company's assets and a $2 million life insurance policy of an officer/stockholder.

The Revolver contains covenants regarding the Company's debt-to-equity ratio and certain minimum debt service coverage ratios. The Revolver further provides for restrictions on the payment of dividends, limitations on the acquisition of property and equipment, limitations on additional borrowings, and certain minimum stock ownership levels by the officer/stockholder referred to above.

In December 1995, the Company purchased its corporate headquarters and manufacturing facility in West Bridgewater, MA from its former landlord at a price of $806,800 including closing costs, and borrowed $750,000 from its bank to finance the purchase. See also Note 4.

On June 30, 1993, the Company exercised its option to pre-pay the acquisition note in connection with the 1992 purchase of BTRL at a substantial discount from the balance due, resulting in an extraordinary gain of $49,736 ($82,893 minus taxes of $33,157).

During 1993, convertible debt in the amount of $17,639 was converted into 10,690 shares of common stock at a price of $1.65 per share. During 1995, convertible debt in the amount of $9,600 was converted into 5,817 shares of common stock at a price of $1.65 per share.

(6) LONG TERM DEBT -- (CONTINUED)

At December 31, 1994 and 1995, and June 30, 1996, the Company had the following debt outstanding:

<TABLE>
<CAPTION>

	DECEMBER 31,		JUNE 30,
	1994	1995	1996
			(UNAUDITED)
<S>	<C>	<C>	<C>
Revolving Line of Credit Agreement due June 30, 1998	$2,533,860	$2,784,307	$1,397,884
Note payable to a bank, due in monthly principal payments of $17,687 through October 1998 with interest fixed at 9.01%. Collateralized by all of the assets of the Company	813,625	601,375	495,250
Note payable to a bank, due in monthly principal payments of $3,704 through October 1999 with interest at prime rate plus 1.0%. Collateralized by all of the assets of the Company	--	170,370	148,148
Note payable to a bank, due in monthly principal payments of $1,667 through December 2000 with interest at 8.22%. Collateralized by all of the assets of the Company	--	100,000	91,667
Note payable to a bank, with interest only due until May 2, 1996, and thereafter 54 consecutive equal monthly principal payments of $6,863 commencing June 18, 1996. Interest is at prime rate plus 1.0%. Collateralized by all of the assets of the Company	--	123,700	343,137

Note payable to a bank, due in 84 fixed payments of principal and interest of $11,729, bearing interest fixed at 8.30% for the first five years, and floating at prime plus 1.0% for the remaining term. Collateralized by a mortgage and all of the assets of the Company	--	750,000	705,580
Subordinated convertible note payable, at 12.5% interest rate, due December 31, 1996, interest payable monthly. Convertible into common stock at $1.50 per share at the option of the holder	31,100	21,500	21,500
Other installment notes payable with interest rates ranging from 7.25% to 10.99% at December 31, 1995, collateralized by office equipment and vehicles due at various maturity dates from April 1996 to August 2001	42,947	100,758	84,541
Total long term debt	3,421,532	4,652,010	3,287,707
Less: current maturities	(242,006)	(436,509)	(490,126)
	$3,179,526	$4,215,501	$2,797,581

</TABLE>

(6) LONG TERM DEBT -- (CONTINUED)

At December 31, 1995, debt maturities are as follows:

<TABLE>
<CAPTION>

YEAR ENDED	AMOUNT
<S>	<C>
1996	$ 436,509
1997	3,199,875
1998	386,723
1999	207,300
2000	161,382
Thereafter	260,221
	$4,652,010

</TABLE>

(7) INCOME TAXES

The Company's effective tax rate does not significantly differ from the federal and state income tax statutory rates. The components of the provision for income taxes are as follows:

<TABLE>
<CAPTION>

	1993	1994	1995
<S>	<C>	<C>	<C>
Current expense: federal and state	$ 23,700	$ 91,242	$ 130,422
Deferred (benefit) expense: federal and state	49,930	(26,891)	(61,765)
Total	$ 73,630	$ 64,351	$ 68,657

</TABLE>

The provision for 1993 includes $33,157 of income taxes which was offset against the extraordinary gain on elimination of debt of $82,893 and presented net in the Statement of Operations. See also Notes 2 and 6.

Significant items making up deferred tax liabilities and deferred tax assets are as follows:

<TABLE>
<CAPTION>

	1994	1995
<S>	<C>	<C>
Current deferred taxes:		
Inventory	$ 47,318	--
Allowances and other accruals	54,562	$ 110,766
Total deferred tax assets	101,880	110,766
Long term deferred taxes:		
Accelerated tax depreciation	(163,139)	(207,361)
Cash basis benefit of subsidiary	(47,818)	--
Goodwill	(26,859)	(22,795)
Tax credits	100,296	106,710
State net operating loss carryforwards	--	38,805
Total deferred tax liabilities	(137,520)	(84,641)
Total net deferred tax (liabilities) assets	$ (35,640)	$ 26,125

</TABLE>

As of December 31, 1995, the net operating loss carryforwards expire at various dates beginning in 1998 through 2000. Tax credits expire at various dates beginning in 2006 through 2009.

(8) COMMITMENTS AND CONTINGENCIES

The Company leases certain office space, laboratory, and research facilities under operating leases with various terms through July 2000. All the real estate leases include renewal options at increasing levels of rent.

One of the facility leases includes scheduled base rent increases over the term of the lease. The amount of base rent payments is being charged to expense on the straight-line method over the term of the lease. As of December 31, 1995, the Company has recorded a $141,068 noncurrent liability to reflect the excess of rent expense over cash payments since inception of the lease. In addition to base rent, the Company pays a monthly allocation of the operating expenses and real estate taxes for the above facilities.

Rent expense for the years ended December 31, 1993, 1994 and 1995 and six months ended June 30, 1995 and 1996 was $479,697, $549,713, $477,580, $225,109 and $181,816, respectively. At December 31, 1995, the remaining fixed lease commitment was as follows:

<TABLE>
<CAPTION>

YEAR ENDED	AMOUNT
<S>	<C>
1996	$371,200

1997	254,600
1998	117,300
1999	124,800
2000	79,700
	$947,600

</TABLE>

Commencing in February 1995, the Company committed under a sponsored research agreement with a university to fund a research scientist at a cost of $13,125 per quarter for three years which costs are charged to research and development expense. In return, the Company has exclusive rights to any anti-HIV compounds or derivatives developed in the course of this research, provided the Company obtains certain regulatory approvals from the FDA.

(9) RETIREMENT PLAN

In January, 1993, the Company adopted a retirement savings plan for its employees, which has been qualified under Section 401(k) of the Code. Eligible employees are permitted to contribute to the plan through payroll deductions within statutory limitations and subject to any limitations included in the plan. To date, the Company has made no contributions to the plan.

(10) COMMON STOCK

The Company has two stock option plans which are administered by a committee of the Board of Directors who determines the employees and affiliated persons to receive options and the number and option price of shares covered by each such option.

Options granted under both plans may be either incentive stock options or non-qualified stock options. In general, for incentive stock options, the option price shall not be less than the fair market value at the time the option is granted. Generally, options become exercisable at the rate of 25% at the end of each of the four years following the anniversary of the grant. Options issued expire ten years from the date of grant, or 30 days from the date of termination or affiliation.

At December 31, 1995, 897,600 shares have been reserved for non-qualified stock options, of which 97,125 are available for future grants. At December 31, 1995, 750,000 shares have been reserved for incentive stock options, of which 696,812 are available for future grants.

(10) COMMON STOCK -- (CONTINUED)

The Company has issued warrants in connection with certain equity and debt financings. As of June 30, 1996, 226,670 shares of Common Stock have been reserved for issuance pursuant to the exercise of such warrants at a weighted average exercise price of $2.50 per share.

The Company has reserved shares of its authorized but unissued common stock for the following:

<TABLE>
<CAPTION>

	STOCK OPTIONS		WARRANTS	
	SHARES	PRICE PER SHARE	SHARES	PRICE PER SHARE	TOTAL SHARES
------	---------	------	---------	------

Balance outstanding, December 31, 1992	747,600	$.25-$4.50	266,670	$2.00-$2.50	1,014,270
Granted	166,250	4.50	59,468	3.75-5.20	225,718
Exercised	(13,000)	.25-1.50	(20,000)	2.50	(33,000)
Expired	(19,000)	2.50	--		(19,000)
Balance outstanding, December 31, 1993	881,850	.25-4.50	306,138	2.00-5.20	1,187,988
Granted	--	--	--	--	--
Exercised	(19,375)	.25-4.50	(4,600)	3.75	(23,975)
Expired	(81,525)	.25-4.50	--	--	(81,525)
Balance outstanding, December 31, 1994	780,950	.25-4.50	301,538	2.00-5.20	1,082,488
Granted	73,187	6.00	--	--	73,187
Exercised	(6,000)	1.50-2.50	(41,200)	2.50-5.20	(47,200)
Expired	(47,850)	1.50-4.50	--	--	(47,850)
Balance outstanding, December 31, 1995	800,287	.25-6.00	260,338	2.00-5.20	1,060,625
Granted (unaudited)	140,600	7.00-8.50	--	--	140,600
Exercised (unaudited)	--	--	(12,000)	5.20	(12,000)
Expired (unaudited)	(6,500)	6.00-7.00	(21,668)	5.20	(28,168)
Balance outstanding, June 30, 1996 (unaudited)	934,387	.25-8.50	226,670	2.00-5.00	1,161,057
Exercisable at June 30, 1996 (unaudited)	359,500	.25-1.65	--	--	359,500
	262,200	2.50-4.50	206,670	2.00-2.50	468,870
	31,984	6.00	20,000	5.00	51,984
Total exercisable at June 30, 1996 (unaudited)	653,684	$.25-$6.00	226,670	$2.00-$5.00	880,354
Proceeds of exercisable at June 30, 1996 (unaudited)	$1,356,655		$566,675		$1,923,330

(11) SUBSEQUENT EVENTS

Stock Split

On August 8, 1996 the Board of Directors approved a 1-for-2 reverse stock split and an increase in authorized common shares to 20,000,000, and authorized 1,000,000 shares of preferred stock (par value $.01), which were approved by the stockholders on September 10, 1996. The stock split has been retroactively reflected in the accompanying financial statements and notes for all periods presented.

STOCK PURCHASE AGREEMENT (UNAUDITED)

On April 26, 1996, the Company entered into a Stock Purchase Agreement and Exclusive Distributor Agreement for five years with a foreign distributor. Pursuant to the Stock Purchase Agreement, the Company issued 117,647 shares of redeemable common stock at a price per share of $8.50, for which it received net proceeds of $898,503. Issuance costs were $101,497. Furthermore, the agreement may require the Company to repurchase the stock at the issuance price ($1,000,000 in total) in three equal installments in the event that the Distribution Agreement is terminated by the Company prior to the completion of a public offering. Completion of a public offering will terminate the redemption feature and cause the reclassification of these shares into stockholders' equity. In addition, the distributor is restricted from selling these securities

for a one-year period after completion of such Offering. The Company utilized the 80,000 shares of Treasury Stock in connection with this transaction.

BioSeq, Inc. (Unaudited)

In October 1996, the Company entered into a License Agreement, Purchase Agreement, Stockholders' Agreement and Warrant Agreement with BioSeq, a privately held, technology based development stage company.

The Company has agreed to purchase convertible preferred stock of BioSeq for an aggregate of $1,482,500 in three installments. Of the $1,482,500, $210,000 was invested at the date of the agreements and $522,500 is required to be invested within ten business days of the closing of the initial public offering of the Company's common stock provided the closing occurs before December 31, 1996. The Company must make the remaining $750,000 installment if BioSeq attains certain technical milestones by July 31, 1997. If such milestones are not attained by BioSeq by July 31, 1997, the Company will still have the option to make the remaining $750,000 investment until December 31, 1997. Under the operative documents, the Company has price anti-dilution protection, pre-emptive rights and the right to board representation, the last of which terminates if the Company fails to make the second installment under the Purchase Agreement. In addition, the Company was granted warrants to acquire additional shares of common stock of BioSeq for additional consideration under certain conditions, provided that this right is not exercisable to the extent it would cause the Company's ownership to equal or exceed 20%. The Company is accounting for its investment in BioSeq on the cost basis in accordance with the provisions of APB 18 since the cumulative investment is and must remain less than 20% of the equity of BioSeq and the Company does not exert significant influence or control. Due to the uncertainty of technology based development stage enterprises and in accordance with the provisions of SFAS 121, the Company will perform a periodic analysis of the investment to determine whether the carrying value of its investment in BioSeq has been impaired. If so determined, the Company would adjust the carrying value of its investment by taking a charge to earnings.

Upon the earlier of payment of the final installment of the Company's aggregate $1,482,500 investment and December 31, 1997, the Company will be granted a worldwide right to use the BioSeq technology relating to sequencing and analysis services. The License will be exclusive until BioSeq commences selling on a commercial basis the equipment used in the DNA sequencing and analysis process, at which time the License will become non-exclusive. The License provides that the Company will pay BioSeq royalties ranging from five percent to ten percent of net revenues arising out of the services performed by the Company with the licensed technology. The Company will account for the royalty as a cost of revenue as the revenues are earned.

(11) SUBSEQUENT EVENTS -- (CONTINUED)

Initial Public Offering (Unaudited)

The Company has filed a registration statement for the sale of shares of common stock. Accordingly, the unaudited pro forma balance sheet has been prepared assuming the reclassification of the redeemable common stock into common stock as of June 30, 1996. There can be no assurances that the initial public offering of common stock will be successfully completed.

(12) SUPPLEMENTARY PRO FORMA EARNINGS PER SHARE -- (UNAUDITED)

If the Offering had been completed on January 1, 1995, a portion of the proceeds would have been used to retire all debt outstanding at that time, and all debt incurred in 1995 and 1996 would not have been needed. Based on the foregoing, supplemental pro forma net earnings per share of common stock would

have been $.09 and $.06 for the year ended December 31, 1995 and the six months ended June 30, 1996, respectively. Such net earnings per share of common stock are based on 3,600,007 and 3,701,173 shares of common stock respectively, consisting of 3,151,477 and 3,252,643 shares of common stock and common stock equivalents plus 448,530 shares assumed to be issued at $9.00 per share as if the Offering had occurred on January 1, 1995 to retire indebtedness outstanding during 1995.

GLOSSARY

AIDS	Acquired Immune Deficiency Syndrome. AIDS is caused by infection with the Human Immunodeficiency Virus, HIV.
Antibodies	Binding proteins naturally produced by the body in response to exposure to non-self agents (e.g., bacteria, viruses, cancer cells). Antibodies form part of the immunological defense system.
Antigens	Foreign non-self agents (such as the proteins or the nucleic acids of infectious agents) that stimulate an immune response, including the production of antibodies.
Assay	Synonym for test: qualitative or quantitative measurement of some component of a material.
Chlamydia	A sexually transmitted pathogen that can cause Trachoma (an eye disease which culminates in blindness), chronic infection of genitals (which can result in infertility), and pneumonia, especially in the newborn.
CLIA	The Clinical Laboratory Improvement Amendments, passed by Congress in October 1988, and formulated into regulations and implemented by the Health Care Financing Administration beginning in 1992. CLIA refers to a set of regulations which govern the staffing and function of all U.S. laboratories that perform in vitro diagnostic tests for clinical use, except for blood bank laboratories and Veterans' Administration hospital laboratories, which are regulated separately using similar rules.
Cytomegalovirus	A virus responsible for several diseases that are especially prevalent in immunocompromised patients such as those infected with HIV, receiving organ transplants or receiving cancer chemotherapy.
Diagnostic Components	The solutions and materials that are combined, sometimes after further manufacture, to make an in vitro diagnostic test kit.
DNA	Deoxyribonucleic Acid, together with RNA, a class of molecules called "nucleic acids." DNA carries the genetic information in most living organisms. The DNA of each cell contains the information for "building" a whole organism (e.g., a virus, a plant, or a whole human being). DNA testing can identify microscopic amounts of the genetic material of a virus or bacterium, thus indicating its presence in quantities undetectable in the bloodstream by immunoassay techniques.
ELISA	Enzyme-Linked Immunosorbent Assay, a biochemical

procedure in which interactions among antibodies, antigens and enzymes are used to detect and quantify various diseases and other materials of interest through the measurement of color released at the end of the assay.

End-User — The purchaser and consumer of an in vitro diagnostic test kit; usually clinical laboratories, but may also be other health care providers or members of the general public.

Hepatitis — A disease that causes inflammation of and damage to the liver, often caused by a virus. In advanced stages, hepatitis can result in life threatening liver dysfunction, liver cirrhosis or liver cancer. The most common causes of viral hepatitis are the Hepatitis A, B and C viruses (HAV, HBV and HCV).

HIV — Human Immunodeficiency Virus. HIV, a retrovirus, causes AIDS. HIV infection leads to the destruction of the immune system.

Immunology — Narrowly defined as the study of the immune system, but often used to describe tests for infectious diseases which rely on the principle of the binding of antigens and antibodies.

Immunoassay — A test that relies on the specificity of the reaction between antibodies and antigens to detect and measure the concentration of biological molecules.

In Vitro — Laboratory procedures that occur "in the test tube," or outside the body. In vitro diagnostic testing is the process of analyzing blood, urine, saliva and other specimens outside the body to screen for, monitor or diagnose diseases and other medical conditions.

Infectious Agent — Any microorganism, such as bacteria, viruses, fungi or other parasites, capable of invading another organism, with or without pathological manifestations.

Levey-Jennings Chart — A chart on which the test results for a Run Control are plotted over time, so that the reproducibility of a test method can be monitored. The acceptable range for the Run Control, as determined by each individual test kit end-user, is also indicated on the chart.

Lyme Disease — A bacterial infection caused by a spirochete called Borrelia burgdorferi (B. burgdorferi). This spirochete usually infects the deer tick which then bites a person or animal, thus transmitting the infection.

Marker — A substance which, when detected in blood or other study sample by an in vitro diagnostic test, is indicative of the presence of disease or other medical condition.

Microbiology — The clinical laboratory testing segment that specializes in the detection of organisms that cause infectious disease. Often used to refer to traditional tests that use a growth medium which enables an organism, if present, to replicate and

be detected visually. Newer methods for detection and monitoring of infectious diseases such as immunology and molecular biology methods are sometimes performed in separate laboratories and sometimes incorporated into microbiology laboratories.

Molecular Biology — The clinical laboratory testing segment which uses newer methods such as PCR to detect nucleic acids (i.e., DNA and RNA) for infectious disease diagnosis and other purposes.

Multi-Marker Run Control — A run control designed to be used with several tests for different analytes or markers. These controls are designed to cover groups of markers that are tested in the same laboratory section, e.g., Accurun 1(R) is a multi-marker run control for blood bank tests.

Nucleic Acids — Two families of compounds called deoxyribonucleic acid (DNA) and ribonucleic acid (RNA) that carry the coded information from which all living organisms are made.

Pathogen — An organism that causes disease in the study subjects (e.g., a virus which causes disease in humans is human pathogen; an insect that causes disease in a plant is a plant pathogen).

PCR — Polymerase Chain Reaction, a sequence of chemical steps using DNA primers (short pieces of nucleic acids) to locate and copy (amplify) specific sequences of DNA, if present, to a concentration high enough for chemical detection.

Performance Panels — A set of serum and plasma samples collected from many different individuals and characterized for the presence or absence of a particular disease marker.

Plasma — The clear liquid portion of blood which contains clotting factors, proteins, antibodies, hormones, electrolytes and other components dissolved in water. Plasma differs from serum only in that plasma contains clotting factors in addition to its other components, and serum does not.

Qualification Panels — Dilutions of human plasma or serum manifesting a full range of reactivities in test kits for a specific marker.

Qualitative Test — An assay for which the reportable results are positive, negative or indeterminate. An alternative set of terms sometimes used to express qualitative test results is reactive, non-reactive or gray zone.

Quality Control Products — Materials including characterized samples of various kinds, data sheets and software, all designed for use in the performance evaluation of in vitro diagnostic tests during their development, manufacture or use.

Quantitative Test — An assay for which the reportable results are numeric.

Reactivity — Test result for a qualitative test; can take one of three forms: positive, negative or

indeterminate.

Reagent — A substance, usually a chemical solution, used as a component of an in vitro diagnostic test.

Retrovirus — A virus with its genetic information encoded in RNA rather than DNA. HIV is a retrovirus.

RNA — Ribonucleic acid, with DNA, a class of molecules called nucleic acids. RNA functions with DNA in most organisms to translate the coded genetic information into the organism itself. In some viruses, RNA substitutes for DNA in carrying the coded information from which the organism is made. HIV and HCV are RNA viruses.

Run Controls — Well-characterized samples designed to resemble the donor and patient samples routinely tested with a given method, manufactured to specific levels of reactivity and provided in quantities sufficient to be used each time the test is run, over a period of time, so that test performance can be continuously monitored.

Sensitivity — The ability of a test to detect accurately small quantities of a substance of interest. The greater the sensitivity, the smaller the quantity of the substance the test can detect, and the fewer false negatives will be reported. Sensitivity and specificity are two important measures of the quality of a test.

Sensitivity Panels — Precise dilutions of human plasma or serum containing a known amount of an infectious disease marker as calibrated against international standards.

Seroconversion Panels — Plasma samples collected from a single individual over a specific time period showing conversion from negative to positive for markers of an infectious disease.

Serum — The clear liquid portion of blood which contains proteins, antibodies, hormones, electrolytes and other components dissolved in water. Serum differs from plasma only in that serum does not contain clotting factors.

Single Analyte Run Control — A run control designed to be used with tests for a single analyte or marker, e.g., Accurun 106 is a positive control for HIV antigen tests from several manufacturers.

Specificity — The ability of a test to distinguish between similar materials. The greater the specificity, the better a test is at identifying a substance in the presence of substances of similar makeup, and the fewer false positives will be reported. Sensitivity and specificity are two important measures of the quality of a test.

Therapeutic Index — A mathematical description of the potential usefulness of a candidate drug, based on its toxicity to the host system versus its effectiveness against the pathogen. The Therapeutic Index of a candidate drug is compared to the Therapeutic Index in the same test system

of a drug already in use for the disease being studied.

Titer	An approximation of the quantity of a marker in a qualitative test, arrived at by diluting the sample repeatedly and testing the dilutions until the marker is no longer detected by the test method.
Toxoplasma	A protozoan parasite, ubiquitous in the environment, and which causes Toxoplasmosis. Toxoplasmosis is commonly acquired by eating food contaminated by cysts. Pregnant women may be at risk of acquiring Toxoplasmosis from cats, with subsequent infection of the baby.
Virus	A microorganism dependent on host cells in order to grow and reproduce.
Western Blot Method	The standard diagnostic method for confirmation of the presence of an infectious disease marker (e.g. HIV, Borrelia burgdorferi), in which lysate (a mixture of proteins) is separated on a gel by electrochemical means and then transferred to a nitrocellulose filter. The filter is then tested against a blood sample to identify antibodies to the proteins.

Photograph showing certain of the Company's Quality Control Panel Products, including Seroconversion and Performance Panels.

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NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, OR THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR OF ANY SECURITIES OFFERED HEREBY IN ANY

JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR SOLICITATION IN SUCH JURISDICTION. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL.

TABLE OF CONTENTS

UNTIL , 1996 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS) ALL DEALERS EFFECTING TRANSACTIONS IN THE SHARES OF COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN addition TO THE OBLIGATIONS OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

==========

1,600,000 SHARES

[LOGO]

BOSTON BIOMEDICA, INC.

COMMON STOCK

PROSPECTUS

OSCAR GRUSS & SON INCORPORATED

KAUFMAN BROS., L.P.

, 1996

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

	TOTAL EXPENSES
SEC Registration Fee	$ 8,508
NASD Filing Fee	2,708
Nasdaq National Market Listing Fee	30,000*
Blue Sky Fees and Expenses	15,000*
Underwriters' Non-Accountable Expense Allowance	144,000*
Transfer Agent and Registrar Fees	2,500*
Accounting Fees and Expenses	150,000*
Legal Fees and Expenses	300,000*
Printing and Engraving	60,000*
Miscellaneous	79,284*
TOTAL	$792,000*

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* Estimate

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company's Amended and Restated By-Laws include provisions to permit the indemnification of officers and directors of the Company for damages arising out of the performance of their duties unless such damages arise out of the officer's or director's failure to exercise his duties and to discharge the duties of his office in good faith and in the reasonable belief that his action was in, or not opposed to, the best interest of the Company, and with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. The Company intends to enter into indemnification contracts with each of its directors and officers. Reference is hereby made to the caption "Management -- Limitation of Officers' and Directors' Liability; Indemnification Agreements."

Reference is hereby made to the caption "Description of Capital Stock -- Limitation of Directors' Liability" in the Prospectus, which is a part of this Registration Statement.

Reference is hereby made to Section 6 of the Underwriting Agreement between

the Company and the Underwriter, filed as Exhibit 1.1 to this Registration Statement, for a description of indemnification arrangements between the Company and the Underwriter.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

The following information is furnished with regard to all securities issued by the Registrant within the past three years which were not registered under the Securities Act.

In August 1996, the stockholders of the Registrant voted to approve an amendment to the Registrant's Articles of Organization to effect a one-for-two reverse stock split of the Registrant's Common Stock, $.01 par value per share. All references to number of shares of Common Stock give effect to this stock split.

(1) In August 1993, the Registrant sold to eight individual investors an aggregate of 45,000 shares of Common Stock for total cash consideration of $202,500, at a price per share of $4.50, and to another investor 1,958 shares of Common Stock in exchange for services rendered valued at $8,811, which securities were not registered under the Securities Act.

(2) In April 1994, the Registrant sold to eight individual investors an aggregate of 21,200 shares of Common Stock, for total consideration of $127,200 at a price per share of $6.00, which securities were not registered under the Securities Act.

(3) From June through December 1994, the Registrant sold the following at $6.00 per share: to one investor 5,000 shares of Common Stock for cash consideration of $30,000, to a second investor 1,167 shares of Common Stock for cash consideration of $3,501 and in exchange for services rendered valued at $3,501, and to a third investor 2,494 shares in exchange for services rendered valued at $14,964, which securities were not registered under the Securities Act.

(4) In November and December 1995, the Registrant sold to two investors an aggregate of 7,800 shares of Common Stock for total cash consideration of $54,600 at a price of $7.00, and to another investor 734 shares of Common Stock in exchange for services rendered valued at $5,138, which securities were not registered under the Securities Act.

(5) On April 26, 1996, the Registrant sold 117,647 shares of Common Stock to Kyowa Medex, Co., Ltd. for total cash consideration of $1,000,000, which securities were not registered under the Securities Act.

(6) For the period August 1, 1993 to date, the Registrant granted to directors, officers, employees and consultants, 15,000 ($6.00 per share), 63,000 ($4.50 to $7.00 per share), 244,037 ($4.50 to $8.50 per share), and 8,000 ($6.00 per share), respectively, options to purchase shares of Common Stock under the Registrant's 1987 Non-Qualified Stock Option Plan or Employee Stock Option Plan, which securities were not registered under the Securities Act.

(7) During the period from March 1994 through June 1996, the Registrant issued an aggregate of 88,993 shares to fifteen persons pursuant to the exercise of options, warrants or convertible notes of the Registrant for exercise prices ranging from $0.25 to $5.20 per share (an aggregate exercise price of $219,977.50), which securities were not registered under the Securities Act.

To the extent that the foregoing transactions constituted "sales" within the meaning of the Securities Act, the securities issued in such transactions were not registered under the Securities Act, as amended, in reliance upon the exemptions from registration set forth in Section 3(b) and 4(2) of the Securities Act, relating to sales by an issuer not involving any public offering, or in reliance upon Regulation S of the Securities Act relating to sales by an issuer of securities outside the United States. None of the foregoing transactions, either individually or in the aggregate, involved a public offering.

ITEM 16. FINANCIAL STATEMENT SCHEDULE AND EXHIBITS

<TABLE>
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SCHEDULE
NO.

<S> <C>
II -- Valuation and Qualifying Accounts

</TABLE>

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EXHIBIT
NO.

<S> <C>
1.1 -- Form of Underwriting Agreement***
3.1 -- Amended and Restated Articles of Organization of the Registrant
3.2 -- Amended and Restated By-Laws of the Registrant
4.1 -- Description of Certificate for Shares of the Registrant's Common Stock
</TABLE>

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EXHIBIT
NO.

<S> <C>

5.1 -- Legal Opinion of Brown, Rudnick, Freed & Gesmer***
10.1 -- Agreement, dated January 17, 1994, between Roche Molecular Systems, Inc. and the Registrant*
10.2 -- Exclusive License Agreement, dated December 6, 1994, between the University of North Carolina at Chapel Hill and the Registrant**
10.3 -- Contract, dated September 30, 1995, between the National Institutes of Health and the Registrant (No. 1-AI-55273)**
10.4 -- Contract, dated September 30, 1995, between the National Institutes of Health and the Registrant (No. 1-AI-55277)**
10.5 -- Contract, dated March 1, 1993, between the National Cancer Institute and the Registrant**
10.6 -- Agreement, dated October 1, 1995, between Ajinomoto Co., Inc. and the Registrant**
10.7 -- Lease Agreement, dated June 30, 1992, for Rockville, Maryland Facility between Cambridge Biotech Corporation and the Registrant**
10.8 -- Lease Agreement, dated July 28, 1995, for New Britain, Connecticut Facility between MB Associates and the Registrant**
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 Registrant, as amended*
10.12 -- Purchase and Sale Agreement, dated December 11, 1995, for 375 West Street Property between James Leonard, Trustee, C.W.B. Trust and the Registrant*
10.13 -- Purchase and Sale Agreement, dated December 20, 1995, for 80 Manley Street Property between the Registrant and Donald M. Leonard, Trustee, Live Oak Realty Trust*
10.14 -- Stock Purchase Agreement, dated April 26, 1996, between Kyowa Medex Co., Ltd. and the Registrant*
10.15 -- 1987 Non-Qualified Stock Option Plan*
10.16 -- Employee Stock Option Plan*
10.17 -- Form of Underwriters Warrant (contained in Exhibit 1.1)***
10.18.1 -- Second Amended and Restated Loan and Security Agreement, dated August 2, 1995, between the First National Bank of Boston and the Registrant, as amended*
10.18.2 -- Note Payable to The First National Bank of Boston, dated

October 1994, in the amount of $200,000
10.18.3 -- Note Payable to The First National Bank of Boston, dated October 1994, in the amount of $849,000
10.18.4 -- Note Payable to The First National Bank of Boston, dated August 1995, in the amount of $350,000
10.18.5 -- Note Payable to The First National Bank of Boston, dated December 1995, in the amount of $100,000
10.18.6 -- Mortgage Note to The First National Bank of Boston, dated December 1995, in the amount of $750,000
10.18.7 -- Note Payable to The First National Bank of Boston, dated July 1996, in the amount of $250,000
10.19 -- Form of Indemnification Agreement with Officers and Directors*
</TABLE>

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EXHIBIT NO.	
<S>	<C>
10.20	-- Purchase Agreement, dated October 7, 1996, between BioSeq, Inc. and the Registrant
10.21	-- Warrant Agreement, dated October 7, 1996, between BioSeq, Inc. and the Registrant
10.22	-- Stockholders' Agreement, dated October 7, 1996, between BioSeq, Inc. and the Registrant
10.23	-- License Agreement, dated October 7, 1996, between BioSeq, Inc. and the Registrant
11	-- Statement re Computation of Per Share Earnings
21	-- Subsidiaries of the Registrant*
23.1	-- Consent of Brown, Rudnick, Freed & Gesmer (contained in Exhibit 5.1)***
23.2	-- Consent of Coopers & Lybrand L.L.P., independent accountants
24	-- Power of Attorney*
27	-- Financial Data Schedule*

</TABLE>

* Previously filed.
** Confidential Treatment requested for certain portions of this document which has been previously filed.
*** To be filed by amendment.

ITEM 17. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the Offering.

(b) The undersigned Registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the Registrant's By-Laws, the Underwriting Agreement relating to this Offering, or otherwise, the Registrant has been

advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The undersigned Registrant hereby further undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of West Bridgewater, Commonwealth of Massachusetts, on October 8, 1996.

BOSTON BIOMEDICA, INC.

By: /s/ RICHARD T. SCHUMACHER

RICHARD T. SCHUMACHER
PRESIDENT

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
<S>	<C>	<C>
/s/ RICHARD T. SCHUMACHER --- RICHARD T. SCHUMACHER	Principal Executive Officer and Director	October 8, 1996
/s/ KEVIN W. QUINLAN --- KEVIN W. QUINLAN	Principal Financial and Accounting Officer and Director	October 8, 1996
* --- HENRY A. MALKASIAN	Director	October 8, 1996
* --- FRANCIS E. CAPITANIO	Director	October 8, 1996
* --- CALVIN A. SARAVIS	Director	October 8, 1996
*By /s/ RICHARD T. SCHUMACHER --- RICHARD T. SCHUMACHER ATTORNEY-IN-FACT		

</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
BOSTON BIOMEDICA, INC.:

In connection with our audits of the consolidated financial statements of Boston Biomedica, Inc. and Subsidiaries, as of December 31, 1994 and 1995, and for each of the three years in the period ended December 31, 1995, which financial statements are included in this Amendment No. 1 to the Registration Statement on Form S-1 (File No. 333-10759), we have also audited the consolidated financial statement schedule listed in Item 16 herein.

In our opinion, this consolidated financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Boston, Massachusetts
March 12, 1996

SCHEDULE II

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

<TABLE>
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ALLOWANCE FOR DOUBTFUL ACCOUNTS	BALANCE AT BEGINNING OF PERIOD	PROVISION FOR BAD DEBT	RECOVERIES FOR ACCOUNTS PREVIOUSLY WRITTEN OFF	UNCOLLECTIBLE ACCOUNTS WRITTEN OFF	BALANCE AT END OF PERIOD
<S>	<C>	<C>	<C>	<C>	
Six months ended June 30, 1996	$142,372	$ 77,145	--	$ (85,938)	$133,579
1995	94,723	181,084	--	(133,435)	142,372
1994	43,956	102,099	--	(51,332)	94,723
1993	21,000	22,956	--	--	43,956

</TABLE>

INDEX TO EXHIBITS

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
<S> <C>		<C>
1.1	-- Form of Underwriting Agreement***	
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10.4 -- Contract, dated September 30, 1995, between the National Institutes of Health and the Registrant (No. 1-AI-55277)**
10.5 -- Contract, dated March 1, 1993, between the National Cancer Institute and the Registrant**
10.6 -- Agreement, dated October 1, 1995, between Ajinomoto Co., Inc. and the Registrant**
10.7 -- Lease Agreement, dated June 30, 1992, for Rockville, Maryland Facility between Cambridge Biotech Corporation and the Registrant**
10.8 -- Lease Agreement, dated July 28, 1995, for New Britain, Connecticut Facility between MB Associates and the Registrant**
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 Registrant, as amended*
10.12 -- Purchase and Sale Agreement, dated December 11, 1995, for 375 West Street Property between James Leonard, Trustee, C.W.B. Trust and the Registrant*
10.13 -- Purchase and Sale Agreement, dated December 20, 1995, for 80 Manley Street Property between the Registrant and Donald M. Leonard, Trustee, Live Oak Realty Trust*
10.14 -- Stock Purchase Agreement, dated April 26, 1996, between Kyowa Medex Co., Ltd. and the Registrant*
10.15 -- 1987 Non-Qualified Stock Option Plan*
10.16 -- Employee Stock Option Plan*
10.17 -- Form of Underwriters Warrant (contained in Exhibit 1.1)***
10.18.1 -- Second Amended and Restated Loan and Security Agreement, dated August 2, 1995, between the First National Bank of Boston and the Registrant, as amended*
10.18.2 -- Note Payable to The First National Bank of Boston, dated October 1994, in the amount of $200,000
10.18.3 -- Note Payable to The First National Bank of Boston, dated October 1994, in the amount of $849,000
</TABLE>

INDEX TO EXHIBITS (CONTINUED)

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
<S>	<C>	<C>
10.18.4	-- Note Payable to The First National Bank of Boston, dated August 1995, in the amount of $350,000	
10.18.5	-- Note Payable to The First National Bank of Boston, dated December 1995, in the amount of $100,000	
10.18.6	-- Mortgage Note to The First National Bank of Boston, dated December 1995, in the amount of $750,000	
10.18.7	-- Note Payable to The First National Bank of Boston, dated July 1996, in the amount of $250,000	
10.19	-- Form of Indemnification Agreement with Officers and Directors*	
10.20	-- Purchase Agreement, dated October 7, 1996, between BioSeq, Inc. and the Registrant	
10.21	-- Warrant Agreement, dated October 7, 1996, between BioSeq, Inc. and the Registrant	
10.22	-- Stockholders' Agreement, dated October 7, 1996, between BioSeq, Inc. and the Registrant	
10.23	-- License Agreement, dated October 7, 1996, between BioSeq, Inc. and the Registrant	
11	-- Statement re Computation of Per Share Earnings	
21	-- Subsidiaries of the Registrant*	
23.1	-- Consent of Brown, Rudnick, Freed & Gesmer (contained in Exhibit 5.1)***	
23.2	-- Consent of Coopers & Lybrand L.L.P., independent accountants	
24	-- Power of Attorney*	
27	-- Financial Data Schedule*	

</TABLE>

- ----------
* Previously filed.

** Confidential Treatment requested for certain portions of this document which has been previously filed.

*** To be filed by amendment.

EXHIBIT 3.1

THE COMMONWEALTH OF MASSACHUSETTS

MICHAEL JOSEPH CONNOLLY FEDERAL IDENTIFICATION
- ---------- Secretary of State
Examiner ONE ASHBURTON PLACE, BOSTON, MASS: 02108 NO. 04-2652826

RESTATED ARTICLES OF ORGANIZATION
General Laws, Chapter 156B, Section 74

This certificate must be submitted to the Secretary of the Commonwealth within sixty days after the date of the vote of stockholders adopting the restated articles of organization. The fee for filing this certificate is prescribed by General Laws, Chapter 156B, Section 114. Make check payable to the Commonwealth of Massachusetts.

We, Richard T. Schumacher , President and
Howard L. Levin , Clerk of

Boston Biomedica Inc.
- ---
(Name of Corporation)

located at 375 West Street, West Bridgewater
---
do hereby certify that the following restatement of the articles of organization of the corporation was duly adopted at a meeting held on September 5 , 1996, by vote of

4,812,307 shares of common stock out of 5,380,130 shares outstanding,
- ---------- ---------- ----------
(Class of Stock)

shares of out of shares outstanding, and
- ---------- ---------- ---------
(Class of Stock)

shares of out of shares outstanding,
- ---------- ---------- ----------
(Class of Stock)

being at least two-thirds of each class of stock outstanding and entitled to vote and of each class or series of stock adversely affected thereby: -

1. The name by which the corporation shall be known is: -

Boston Biomedica, Inc.

2. The purposes for which the corporation is formed are as follows: -

C [ ] To engage generally in the clinical laboratory business relating to the
P [ ] testing of blood and doing all other types of medical testing, and in
M [ ] connection there with, obtaining blood, doing research therein and
RA [ ] supplying same to other institutions for research purposes, and to carry on any other business, and to do and perform any other lawful acts and businesses necessary or incidental to the above-stated purposes. To have in furtherance of the corporate purposes, all the powers conferred upon corporations organized under the Business corporation Law subject to the limitations thereof contained in these Restated Articles of Organization or in the Laws of the Commonwealth of Massachusetts. To carry on any business or activity permitted by the laws of the Commonwealth of Massachusetts to a corporation organized under the provisions of Chapter 156B of the General Laws, whether or

not related to those in the foregoing.

- --------
P.C.

Note: If the space provided under any article or item on this form is insufficient, additions shall be set forth on separate 81/2 x 11 sheets of paper leaving a left hand margin of at least 1 inch for binding. Additions to more than one article may be continued on a single sheet so long as each article requiring each such addition is clearly indicated.

3. The total number of shares and the par value, if any, of each class of stock which the corporation is authorized to issue is as follows:

	WITHOUT PAR VALUE	WITH PAR VALUE	
CLASS OF STOCK	NUMBER OF SHARES	NUMBER OF SHARES	PAR VALUE
PREFERRED		1,000,000	$.01
COMMON		20,000,000	$.01

Please see Contination Pages marked Article 3(a)

*4.If more than one class is authorized, a description of each of the different classes of stock with, if any, the preferences, voting powers, qualifications, special or relative rights or privileges as to each class thereof and any series now established:

Please see Continuation Pages marked Article 4

*5.The restrictions, if any, imposed by the artcles of organization upon the transfer of shares of stock of any class are as follow:

None

*6.Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or stockholders or of any class of stockholders:

Please see Continuation Pages marked Article 6

*If there are no such provisions, state "None".

BOSTON BIOMEDICA, INC.

RESTATED ARTICLES OF ORGANIZATION

CONTINUATION PAGES

ARTICLE 3(a)

Simultaneously with the effective date of this amendment (the "Effective Date"), each share of the Corporation's Common Stock, $.01 par value per share, issued and outstanding immediately prior to the Effective Date (the "Old Shares") shall automatically and without any action on the part of the holder thereof be reclassified as and changed into one-half of a share of the Corporation's Common Stock, $.01 par value per share (the "New Shares"), subject to the treatment of fractional share interests as described below. Each holder of a certificate or certificates which immediately prior to the Effective Date represented outstanding Old Shares (the "Old Certificates," whether one or more) shall be entitled to receive upon surrender of such Old Certificates to the Corporation for cancellation, a certificate or certificates (the "New Certificates," whether one or more) representing the number of whole New Shares into which and for which the Old Shares formerly represented by such Old Certificates so surrendered are reclassified under the terms hereof. From and after the Effective Date, Old Certificates shall represent only the right to receive New Certificates (and, where applicable, one New Share in lieu of fractional shares, as provided below) pursuant to the provisions hereto. No certificates or scrip representing fractional share interests in New Shares will be issued, and no such fractional share interest will entitle the holder thereof to vote, or to any rights of a shareholder of the Corporation. A holder of Old Certificates shall receive, in lieu of any fraction of a share of New Shares to which the holder would otherwise be entitled, one additional New Share. If more than one Old Certificate shall be surrendered at one time for the account of the same stockholder, the number of full New Shares for which New Certificates shall be issued shall be computed on the basis of the aggregate number of shares represented by the Old Certificates so surrendered. In the event that the Corporation determines that a holder of Old Certificates has not tendered all his certificates for exchange, the Corporation shall carry forward any fractional shares until all certificates of that holder have been presented for exchange such that payment for fractional shares to any one person shall not exceed the number of New Shares to which the holder would have been entitled if all certificates of that holder had been presented for exchange at one time. If any New Certificate is to be issued in a name other than that in which the Old Certificates surrendered for exchange are issued, the Old Certificates so surrendered shall be properly endorsed and otherwise delivered in proper form for transfer, and the person or persons requesting such exchange shall affix any requisite stock transfer tax stamps to the Old Certificates surrendered, or provide funds for their purchase, or establish to the satisfaction of the Corporation that such taxes are not payable. From and after the Effective Date the amount of capital represented by the New Shares into which and for which Old Shares are reclassified under the terms hereof shall be the same as the amount of capital represented by the Old Shares so reclassified, until thereafter reduced or increased in accordance with applicable law.

BOSTON BIOMEDICA, INC.

RESTATED ARTICLES OF ORGANIZATION

CONTINUATION PAGES

ARTICLE 4

The classes of stock of the Corporation authorized by this Article 4 shall have the preferences, voting powers, qualifications, and special or relative rights or privileges as to each class thereof and any series now established as set forth in this Article 4. Stock of any class or series authorized pursuant hereto may be issued from time to time by authority of the

Board of Directors for such consideration as from time to time may be fixed by vote of the Board of Directors.

PART I - COMMON STOCK

The holders of the Common Stock shall be entitled to one vote per share and, subject to the rights and preferences of the holders of the Preferred Stock and any other class of stock ranking senior to or on a parity with the Common Stock, shall be entitled to dividends when, as and if declared and paid to the holders of Common Stock, and upon liquidation, dissolution or winding up of the Corporation, to share ratably in the assets available for distribution to the holders of the Common Stock.

PART II - PREFERRED STOCK

Preferred Stock may be issued by the Board of Directors, in one or more series and with such rights, powers, preferences and terms and at such times and for such consideration as the Board of Directors shall determine, without further stockholder action. With respect to each series of Preferred Stock, prior to issuance, the Board of Directors by resolution shall designate that series to distinguish it from other series and classes of stock of the Corporation, shall specify the number of shares to be included in the series, and shall fix the rights, powers, preferences and terms of the shares of the series, including, but without limitation: (i) the dividend rate, which may be fixed or variable, its preference as to any other class or series of capital stock, and whether dividends will be cumulative or non-cumulative; (ii) whether the shares are to be redeemable and, if so, at what times and prices (which price or prices may, but need not, vary according to the time or circumstances of such redemption) and on what other terms and conditions; (iii) the terms and amount of any sinking fund provided for the purchase or redemption of the shares; (iv) whether the shares shall be convertible or exchangeable and, if so, the times, prices, rates, adjustments and other terms of such conversion or exchange; (v) the voting rights, if any, applicable to the shares in addition to those prescribed by law; (vi) the restrictions and conditions, if any, on the issue or reissue of any additional shares of such series or of any other series of Preferred Stock ranking on a parity with or prior to the shares of such series; (vii) whether, and the extent to which, any of the rights, powers, preferences and terms of any such series may be made dependent upon facts ascertainable outside of the Articles of

Organization or outside the resolution or resolutions providing for the issuance of such series by the Board of Directors, provided that the manner in which such facts shall operate is clearly set forth in the resolution or resolutions providing for the issuance of such series adopted by the Board of Directors; and (viii) the rights of the holders of such shares upon voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

BOSTON BIOMEDICA, INC.

RESTATED ARTICLES OF ORGANIZATION

CONTINUATION PAGES

ARTICLE 6

The other lawful provisions for the conduct and regulation of business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining or regulating the powers of the corporation, or of its directors or stockholders, or any class of stockholders, are set forth in this Article 6.

A. DEFINITIONS

The following definitions shall apply for the purpose of this Article 6:

(a)"Affiliate" shall have the meaning given such term Rule 12b-2 under the Exchange Act.

(b) "Announcement Date" shall mean the date of first public announcement of the proposal of a Business Combination.

(c) "Associate" shall have the meaning given such term in Rule 12b-2 under the Exchange Act.

(d) "Business Combination" shall mean:

(i) any merger or consolidation of the Corporation or any Subsidiary with (a) any Related Person, or (b) any other Person (whether or not itself a Related Person) which is, or after such merger or consolidation would be, an Affiliate of a Related Person; or

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Related Person or any Affiliate of any Related Person of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value in excess of ten percent (10%) of the Corporation's total stockholder's equity as reflected on the Corporation's most recent audited financial statements; or

(iii) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to any Related Person or any Affiliate of any Related Person in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value in excess of ten percent (10%) of the Corporation's total stockholders' equity as reflected on the Corporation's most recent audited financial statements; or

(iv) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of any Related Person or any Affiliate of any Related Person; or

(v) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving the Related Person) which has the effect, directly or indirectly, of increasing the proportionate share of securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Related Person or any Affiliate of any Related Person.

(e) "Continuing Director" shall mean any member of the Board of Directors who is not an Affiliate of any Related Person and who was a member of the Board of Directors prior to the time that any such Related Person became a Related Person, and any successor of a Continuing Director who is unaffiliated with any Related Person and is recommended to succeed a Continuing Director by a majority of the Continuing Directors then on the Board of Directors. Notwithstanding the above, a majority of the then existing Continuing Directors can deem a new director to be a Continuing Director, even though such person is Affiliated with a Related Person.

(f) "Determination Date" shall mean the date upon which the Business Combination is consummated.

(g) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, from time to time.

(h) "Fair Market Value" shall mean: (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the principal United States

securities exchange or quotation system on which such stock is listed or quoted, or, if no such price or quotations are available, the highest closing bid price of a share of such stock during such period on the quotation system on which such stock is then quoted, or, if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by the Board of Directors in good faith; and (ii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by the Board of Directors in good faith.

(i) "Person" shall mean any individual, firm, partnership, joint venture, joint stock company, trust, business trust, corporation, limited liability partnership, limited liability corporation, unincorporated association or other entity of whatsoever nature.

(j) "Related Person" shall mean any Person (other than the Corporation, any Subsidiary or any individual who was a stockholder of the Corporation on July 31, 1996) which, together with such Person's Affiliates and Associates and with any other Person (other than the Corporation, any Subsidiary, or any individual who was a stockholder of the Corporation on July

31, 1996) with which such Person or they have entered into any agreement, arrangements or understanding with respect to acquiring, holding or disposing of voting stock, acquires beneficial ownership (as defined in Rule 13d-3 of the Exchange Act, except that such term shall include any voting stock which such person has the right to acquire, whether or not such right may be exercised within 60 days), directly or indirectly of more than five percent (5%) of the voting power of the outstanding voting stock after July 31, 1996.

(k) "Subsidiary" shall mean any corporation in which a majority of the capital stock entitled to vote generally in the election of directors is owned, directly or indirectly, by the Corporation.

(l) "Voting Stock" shall mean all the then outstanding shares of capital stock entitled to vote generally in the election of directors.

B. CLASSIFICATION OF BOARD OF DIRECTORS AND RELATED MATTERS.

(a) Number, Election and Terms of Directors

1. Subject to the rights of the holders of any class or series of stock having a preference over the Corporation's voting stock as to dividends or upon liquidation to elect additional directors under specific circumstances, the number of directors shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the Continuing Directors or by the affirmative vote of the holders of at least eighty percent (80%) of the shares of voting stock outstanding, voting as a single class (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption). After the 1996 annual meeting of stockholders, the Board of Directors shall vote to cause the directors, other than those who may be elected by the holder of any class or series of stock having a preference over the voting stock as to dividends or upon liquidation, to be divided into three classes, as nearly equal in number as possible, with the term of office of the first class to expire at the 1997 annual meeting of stockholders, the term of office of the second class to expire at the 1998 annual meeting of stockholders and the term of office of the third class to expire at the 1999 annual meeting of stockholders. At each annual meeting of stockholders following such initial classification and election, the successors of those directors whose terms expire at that meeting shall be elected by a plurality vote of all votes cast at such meeting for a term of office to expire at the third succeeding annual meeting of stockholders after their election, unless by reason of any intervening changes in the authorized number of directors, the Board of Directors shall designate one or more of the then expired directorships as directorships of another class in order more nearly to achieve equality of number of directors among the classes.

2. The number of the Board of Directors may be changed by a vote of a majority of the Continuing Directors then in office or by the stockholders by

vote of eighty percent (80%) of the shares of voting stock outstanding, voting as a single class.

3. Notwithstanding the rule that the three classes shall be as nearly equal in number of directors as possible, in the event of any change in the authorized number of directors, each

director then continuing to serve as such, shall nevertheless continue as a director of the class of which he is a member until the expiration of his current term, or his prior death, resignation or removal. If any newly created directorship may, consistent with the rule that the three classes shall be as nearly equal in number of directors as possible, be allocated to one of two or more classes, the Board of Directors shall allocate it to that of the available classes whose term of office is due to expire at the earliest date following such allocation.

(b) Newly Created Directorships and Vacancies

Except as otherwise provided for or fixed by or pursuant to the provisions of these Articles of Organization relating to the rights of the holders of any class or series of stock having a preference over the voting stock as to dividends or upon liquidation to elect directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled only by the affirmative vote of a majority of a majority of the Continuing Directors, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors shall shorten the term of an incumbent director.

(c) Removal

Subject to the rights of the holders of any class or series of stock having a preference over the voting stock as to dividends or upon liquidation to elect additional directors under specified circumstances, any director may be removed from office with or without cause only by the affirmative vote of the holders of at least eighty percent (80%) of the combined voting power of the outstanding shares of voting stock, voting together as a single class.

(d) Amendment, Repeal or Alteration

Notwithstanding anything contained in these Articles of Organization to the contrary, the affirmative vote of the holders of at least eighty percent (80%) of the outstanding shares of voting stock, voting together as a single class, shall be required to alter, change, amend or repeal this Section B of Article 6 or to adopt any provision inconsistent with this Section B of Article 6.

C. FAIR PRICE PROVISION.

1. In addition to the affirmative vote otherwise required by law or any provision of these Articles of Organization, except as otherwise provided in Section 2 of this Section C of Article 6, any Business Combination shall require the affirmative vote of the holders of eighty percent (80%) of the combined voting power of all Voting Stock voting together as a single class.

Such affirmative vote shall be required notwithstanding any other provisions of these Articles of Organization, or any provision of law or of any agreement with any national

securities exchange which might otherwise permit a lesser vote or no vote, and such affirmative vote of the holders of the combined voting power of the

outstanding shares of any particular class or series of the Voting Stock or other capital stock required by law or by these Articles of Organization.

2. The provisions of Section 1 of this Section C shall not be applicable in respect of a Business Combination if, in the case of such Business Combination that does not involve any consideration received by the stockholders of the Corporation, solely in their respective capacities as stockholders of the Corporation, the condition specified in paragraph (a) below is met, or, in the case of any other Business Combination, the conditions specified in either of paragraphs (a) or (b) below are met; in which event, such Business Combination shall require only such affirmative vote as is required by law, any other provision of these Articles of Organization, or any agreement with any national securities exchange, as the case may be:

(a) The Business Combination shall have been approved by a majority of the Continuing Directors, it being understood that this condition shall not be capable of satisfaction unless there is at least one Continuing Director.

(b) All of the following conditions shall have been met:

(i) The form of the consideration received by holders of shares of a particular class of outstanding Voting Stock shall be in cash or in the same form as the Related Person has paid for shares of such class of Voting Stock within the two-year period ending on and including the Determination Date. If, within such two-year period, the Related Person has paid for shares of any class of Voting Stock with varying forms of consideration, the form of consideration received per share by holders of shares of such class of voting stock shall be either cash or the form used to acquire the largest number of shares of such class of Voting Stock acquired by the Related Person within such two-year period.

(ii) The aggregate amount of consideration received per share by holders of each class of Voting Stock in such Business Combination shall be at least equal to the higher of the following (it being intended that the requirements of this paragraph (b)(ii) shall be met with respect to every such class of Voting Stock outstanding, whether or not the Related Person has previously acquired any shares of that particular class of Voting Stock):

(a) (if applicable) the highest per share price (including any brokerage commission, transfer taxes and soliciting dealers' fees) paid by the Related Person for any shares of that class of Voting Stock acquired by it within the two-year period immediately prior to the Announcement Date or in the transaction in which it became a Related Person, whichever is higher; or

(b) the Fair Market Value per share of such Voting Stock on the Announcement Date; or

(c) in the case of any class of Preferred Stock, the highest preferential amount per share to which the holders of shares of such class of Voting Stock are entitled

in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

(iii) After such Related Person has become a Related Person and prior to the consummation of such Business Combination:

(a) except as approved by a majority of the Continuing Directors, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on any outstanding Preferred Stock;

(b) there shall have been (I) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), except as approved by a majority of the Continuing Directors, and (II) an increase in such annual rate of dividends as necessary to

reflect any reclassification (including any reverse stock split, recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of the Common Stock), unless the failure so to increase such annual rate of dividends is approved by a majority of the Continuing Directors;

(c) such Related Person shall not have become the beneficial owner of any newly issued shares of Voting Stock directly or indirectly from the Corporation except as part of the transaction which results in such Related Person becoming a Related Person;

(d) after such Related Person has become a Related Person, such Related Person shall not have received the benefit, directly or indirectly (except proportionately, solely in such Related Person's capacity as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise; and

(e) a proxy or information statement describing the proposed Business Combination and complying with the requirements of the Exchange Act and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to all stockholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to the Exchange Act or subsequent provisions). Such proxy or information statement shall contain on the front thereof, prominently displayed, any recommendation as to the advisability or inadvisability of the Business Combination which the Continuing Directors, or any of them, may have furnished in writing to the Board of Directors and/or shall contain an opinion by an investment banking firm, selected by a majority of the Continuing Directors, as to

the fairness (or unfairness) of the Business Combination to the stockholders of the Corporation, other than the Related Person.

3. A majority of the total number of Continuing Directors shall have the power and duty to determine, on the basis of information known to them, after reasonable inquiry, all facts necessary to determine compliance with this Section E of Article 6 including, without limitation, (i) whether a person is a Related Person, (ii) the number of shares of voting stock beneficially owned by any person, (iii) whether the applicable conditions set forth in paragraph (b) of subsection 2 have been met with respect to any Business Combination, and (iv) whether the assets which are the subject of any Business Combination or the consideration received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination have an aggregate Fair Market Value in excess of ten percent (10%) of the Corporation's total stockholders' equity as reflected on the Corporation's most recent audited financial statements.

4. Nothing contained in this Section E of Article 6 shall be construed to relieve any Related Person from any fiduciary obligation imposed by law.

5. Notwithstanding anything contained in these Articles of Organization to the contrary, the affirmative vote of the holders of at least eighty percent (80%) of the combined voting power of all Voting Stock, voting together as a single class, shall be required to amend or repeal this Section C, or to adopt any provision inconsistent herewith.

6. In the event of any inconsistencies between this Section C and Chapter 110 F of the Massachusetts General Laws, the provisions of this Section C shall control.

D. BY-LAWS.

The By-laws may provide that the directors may make, amend or repeal the By-laws in whole or in part, except with respect to any provision thereof which by law or the By-laws requires action by the stockholders.

E. MEETINGS.

Meetings of the stockholders of the corporation may be held anywhere in the United States.

F. ACTING AS PARTNER.

The corporation may be a general or limited partner in any business enterprise it would have power to conduct by itself.

G. INDEMNIFICATION.

The corporation may provide, either in the corporation's By-laws or by contract, for the indemnification of directors, officers, employees and agents, by whomever elected or appointed,

to the full extent presently permitted by law; provided, however, that if applicable law is hereafter modified to permit indemnification in situations where it was not theretofor permitted, then such indemnification may be permitted to the full extent permitted by such law as amended.

H. TRANSACTIONS WITH INTERESTED PERSONS.

The By-laws may contain provisions providing that no contract or transaction of the corporation shall be void or voidable by reason of the fact that any officer, director or stockholder of the corporation may have held an interest therein.

I. REPURCHASES BY CORPORATION.

The corporation may from time to time offer to purchase and purchase shares from any stockholder of the corporation upon fair and reasonable terms and at a fair and reasonable price, whether or not the stockholder owns a controlling interest in the corporation, without offering to any other stockholder an equal opportunity to sell a ratable number, or any, of his shares of stock in the corporation to the corporation upon comparable terms or at a comparable price, or to make any offer to purchase whatsoever to other stockholders of the corporation.

J. ELIMINATION OF DIRECTORS' PERSONAL LIABILITY.

No director shall be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director notwithstanding any provision of law imposing such liability; provided, however, that this provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under section sixty-one or sixty-two of Chapter 156B of the Massachusetts General Laws, or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this paragraph shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to the date of such amendment or repeal.

*We further certify that the foregoing restated articles of organization effect no amendments to the articles of organization of the corporation as heretofore amended, except amendments to the following articles

---

3, 4 and 6

- ---

(*If there are no such amendments, state "None".)

Briefly describe amendments in space below:

Article 3 is amended to increase and change the authorized capital and Article 4 is amended to describe the new classes of stock.

Article 6 is amended to change the other lawful provisions for the conduct and regulation of the business and affairs of the Corporation.

IN WITNESS WHEREOF AND UNDER THE PENALTIES OF PERJURY, we have hereto signed our names this 5th day of September in the year 1996

Richard T. Schumacher /s/ Richard T. Schumacher President

- ---

Howard L. Levin /s/ Howard L. Levin Clerk

- ---

THE COMMONWEALTH OF MASSACHUSETTS

RESTATED ARTICLES OF ORGANIZATION
(GENERAL LAWS, CHAPTER 156B, SECTION 74)

I hereby approve the within restated articles of organization and, the filing fee in the amount of $_____ having been paid, said articles are deemed to have been filed with me this__day of_____ , 19__.

MICHAEL JOSEPH CONNOLLY
Secretary of State

TO BE FILLED IN BY CORPORATION
PHOTO COPY OF RESTATED ARTICLES OF ORGANIZATION TO BE SENT

TO:
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EXHIBIT 3.2

BY-LAWS

OF

BOSTON BIOMEDICA, INC.

A MASSACHUSETTS CORPORATION

Adopted: May 5, 1986

Howard L. Levin, Clerk

Amended: December 5, 1990
Amended and Restated: September 5, 1996

BY-LAWS
TABLE OF CONTENTS

BY-LAWS

OF

BOSTON BIOMEDICA, INC.
(A Massachusetts Corporation)

ARTICLE I.

Stockholders

Section 1.1. Annual Meeting. The annual meeting of the stockholders of the corporation shall be held on the first Tuesday of April in each year, at such time and place within the United States as may be designated in the notice of meeting. If the day fixed for the annual meeting shall fall on a legal holiday, the meeting shall be held on the next succeeding day not a legal holiday. If the annual meeting is omitted on the day herein provided, a special meeting may be held in place thereof, and any business transacted at such special meeting in lieu of annual meeting shall have the same effect as if transacted or held at the annual meeting.

Section 1.2. Special Meetings. Special meetings of the stockholders may be called at any time by the president or by the board of directors and shall be called by the clerk upon written application of one or more stockholders who hold shares representing at least ten percent (10%) of the capital stock entitled to vote at such meeting. Special meetings of the stockholders shall be held at such time, date and place within or without the United States as may be designated in the notice of such meeting.

Section 1.3. Notice of Meeting. A written notice stating the place, date, and hour of each meeting of the stockholders, and, in the case of a special meeting, the purposes for which the meeting is called, shall be given to each stockholder entitled to vote at such meeting, and to each stockholder who, under the Articles of Organization or these By-laws, is entitled to such notice, by delivering such notice to such person or leaving it at their residence or usual place of business, or by mailing it, postage prepaid, and addressed to such stockholder at his address as it appears upon the books of the corporation, at least seven (7) days and not more than sixty (60) before the meeting. Such notice shall be given by the clerk, an assistant clerk, or any other officer or person designated either by the clerk or by the person or persons calling the meeting.

The requirement of notice to any stockholder may be waived by a written waiver of notice, executed before or after the meeting by the stockholder or his attorney thereunto duly authorized, and filed with the records of the meeting, or if communication with such stockholder is unlawful, or by attendance at the meeting without protesting prior thereto or at its commencement the lack of notice. Except as otherwise provided herein, the notice to the stockholders need not specify the purposes of the meeting.

If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken, except that if the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.4. Quorum. The holders of a majority in interest of all stock issued, outstanding and entitled to vote at a meeting shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes

properly cast upon the question, whether or not a quorum is present.

Section 1.5. Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote owned by such stockholder of record according to the books of the corporation, unless otherwise provided by law or by the Articles of Organization. Stockholders may vote either in person or by written proxy. No proxy dated more than six months prior to the date of the meeting shall be valid although, unless otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting. Proxies shall be filed with the clerk of the meeting, or of any adjournment thereof. A proxy purporting to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by one of them unless at or prior to exercise of the proxy the corporation receives a specific written notice to the contrary from any one of them.

Section 1.6. Action at Meeting. When a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office, and a majority of the votes properly cast upon any question other than election to an office shall decide such question, except where a larger vote is required by law, the Articles of Organization or these by-laws. No ballot shall be required for any election unless requested by a stockholder present or represented at the meeting and entitled to vote in the election.

Section 1.7. Action Without Meeting. Any action required or permitted to be taken at any meeting of the stockholders may be taken without a meeting if all stockholders entitled to vote on the matter consent to the action in writing and the consent shall be treated for all purposes as a vote at a meeting.

Section 1.8. Voting of Shares of Certain Holders. Shares of stock of the corporation standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent, or proxy as the by-laws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

Shares of stock of the corporation standing in the name of a deceased person, a minor ward or an incompetent person, may be voted by his administrator, executor, court-appointed guardian or conservator without a transfer of such shares into the name of such administrator, executor, court appointed guardian or conservator. Shares of capital stock of the corporation standing in the name of a trustee may be voted by him.

Shares of stock of the corporation standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Shares of its own stock belonging to this corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by the corporation in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares.

Section 1.9. Meetings. Special meetings of the stockholders may be called at any time by the President or by the Board of Directors. Special meetings of the stockholders shall be called by the Clerk, or in the case of the death, absence, incapacity or refusal of the Clerk, by any other officer, upon written application by one or more stockholders who hold at least 50% of each class of stock outstanding and entitled to vote at such meeting. Such call shall state the time, place and purposes of the meeting.

ARTICLE II.

Board of Directors

Section 2.1. Powers. Except as reserved to the stockholders by law, by the Articles of Organization or by these By-laws, the business of the corporation shall be managed under the direction of the board of directors, who shall have and may exercise all of the powers of the corporation. In particular, and without limiting the foregoing, the board of directors shall have the power to issue or reserve for issuance from time to time the whole or any part of the capital stock of the corporation which may be authorized from time to time to such person, for such consideration and upon such terms and conditions as they shall determine, including the granting of options, warrants or conversion or other rights to stock.

Section 2.2. Enumeration, Election and Term of Office. The number of Directors on the Board of Directors shall be determined as provided in the Articles of Organization of the Corporation. No Director need be a Stockholder.

The Directors of the Corporation shall be divided into three classes: Class I, Class II and Class III. Each class shall consist as nearly as may be possible, of one-third of the whole number of the Board of Directors. In the election of Directors at the 1996 Annual Meeting of Stockholders, the Class I Directors shall be elected to hold office for a term to expire at the first Annual Meeting of Stockholders thereafter; the Class II Directors shall be elected to hold office for a term to expire at the second Annual Meeting of Stockholders thereafter; and the Class III Directors shall be elected to hold office for a term to expire at the third Annual Meeting of

Stockholders thereafter; and in the case of each class, until their respective successors are duly elected and qualified. At each annual election held after the 1996 Annual Meeting of Stockholders, the Directors elected to succeed those whose terms expire shall be identified as being the same class as the Directors they succeed and shall be elected to hold office for a term to expire at the third Annual Meeting of Stockholders after their election, and until their respective successors are duly elected and qualified. If the number of Directors changes, any increase or decrease in Directors shall be apportioned among the classes so as to maintain all classes as nearly equal in number as possible, and any additional Director elected to any class shall hold office for a term which shall coincide with the terms of the other Directors in such class and until his successor is duly elected and qualified.

Any vacancy in the Board of Directors, however occurring, including a vacancy resulting from the enlargement of the Board of Directors, shall be filled as provided in the Articles of Organization of the Corporation. The Board of Directors may be enlarged as provided in the Articles of Organization of the Corporation. A Director, whether elected by the stockholders or Directors, may be removed from office in the manner provided by the Articles of Organization of the Corporation.

Section 2.3. Nomination of Directors. Nominations for the election of directors at an annual meeting of the stockholders, or special meeting in lieu of the annual meeting, may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors at the meeting. Stockholders entitled to vote in such election may nominate one or more persons for election as directors only if written notice of such stockholder's intent to make such nomination or nominations has been given either by personal delivery, overnight (receipted) courier or by United States mail, postage prepaid, to the Clerk of the Corporation not later than ninety days prior to the anniversary date of the immediately preceding annual meeting or special meeting in lieu thereof. Such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the persons or person to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person

or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure

Section 2.4. Election of Directors. The initial board of directors shall be elected by the incorporator(s) at the first meeting thereof and thereafter by the stockholders at their annual meeting or at any special meeting the notice of which specifies the election of directors as an item of business for such meeting.

Section 2.5. Vacancies; Reduction of the Board. Any vacancy in the board of directors, however occurring, including a vacancy resulting from the enlargement of the board of directors, may be filled by the stockholders or by the directors then in office or by a sole remaining director. In lieu of filling any such vacancy the stockholders or board of directors may reduce the number of directors, but not to a number less than the minimum number required by Section 2.2. When one or more directors shall resign from the board of directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Section 2.6. Enlargement of the Board. The board of directors may be enlarged by the stockholders at any meeting or by vote of a majority of the directors then in office.

Section 2.7. Tenure and Resignation. Except as otherwise provided by law, by the Articles of Organization or by these By-laws, directors shall hold office until the next annual meeting of stockholders and thereafter until their successors are chosen and qualified. Any director may resign by delivering or mailing postage prepaid a written resignation to the corporation at its principal office or to the president, clerk or assistant clerk, if any. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Section 2.8. Removal. A director, whether elected by the stockholders or directors, may be removed from office with or without cause at any annual or special meeting of stockholders by vote of a majority of the stockholders entitled to vote in the election of such director, or for cause by a vote of a majority of the directors then in office; provided, however, that a director may be removed for cause only after reasonable notice and opportunity to be heard before the body proposing to remove him.

Section 2.9. Meetings. Regular meetings of the board of directors may be held without call or notice at such times and such places within or without the Commonwealth of Massachusetts as the board may, from time to time, determine, provided that notice of the first regular meeting following any such determination shall be given to directors absent from such determination. A regular meeting of the board of directors shall be held without notice immediately after, and at the same place as, the annual meeting of the stockholders or the special meeting of the stockholders held in place of such annual meeting, unless a quorum of the directors is not then present. Special meetings of the board of directors may be held at any time and at any place designated in the call of the meeting when called by the president, treasurer, or one or more directors. Members of the board of directors or any committee elected thereby may participate in a meeting of (amended such board or committee by means of a conference telephone or 12/5/90) similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at the meeting.

Section 2.10. Notice of Meeting. It shall be sufficient notice to a director to send notice by mail at least seventy-two (72) hours before the meeting addressed to such person at his usual

or last known business or residence address or to give notice to such person in person or by telephone at least twenty-four (24) hours before the meeting. Notice shall be given by the clerk, assistant clerk, if any, or by the officer or directors calling the meeting. The requirement of notice to any director may be waived by a written waiver of notice, executed by such person before or after the meeting or meetings, and filed with the records of the meeting, or by attendance at the meeting without protesting prior thereto or at its commencement the lack of notice. A notice or waiver of notice of a directors' meeting need not specify the purposes of the meeting.

Section 2.11. Agenda. Any lawful business may be transacted at a meeting of the board of directors, notwithstanding the fact that the nature of the business may not have been specified in the notice or waiver of notice of the meeting.

Section 2.12. Quorum. At any meeting of the board of directors, a majority of the directors then in office shall constitute a quorum for the transaction of business. Any meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

Section 2.13. Action at Meeting. Any motion adopted by vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, except where a different vote is required by law, by the Articles of Organization or by these By-laws. The assent in writing of any director to any vote or action of the directors taken at any meeting, whether or not a quorum was present and whether or not the director had or waived notice of the meeting, shall have the same effect as if the director so assenting was present at such meeting and voted in favor of such vote or action.

Section 2.14. Action Without Meeting. Any action by the directors may be taken without a meeting if all of the directors consent to the action in writing and the consents are filed with the records of the directors' meetings. Such consent shall be treated for all purposes as a vote of the directors at a meeting.

Section 2.15. Committees. The board of directors may, by the affirmative vote of a majority of the directors then in office, appoint an executive committee or other committees consisting of one or more directors and may by vote delegate to any such committee some or all of their powers except those which by law, the Articles of Organization or these By-laws they may not delegate. Unless the board of directors shall otherwise provide, any such committee may make rules for the conduct of its business, but unless otherwise provided by the board of directors or such rules, its meetings shall be called, notice given or waived, its business conducted or its action taken as nearly as may be in the same manner as is provided in these By-laws with respect to meetings or for the conduct of business or the taking of actions by the board of directors. The board of directors shall have power at any time to fill vacancies in, change the membership of, or discharge any such committee at any time. The board of directors shall have power to rescind any action of any committee, but no such rescission shall have retroactive effect.

ARTICLE III.

Officers

Section 3.1. Enumeration. The officers shall consist of a president, a treasurer, a clerk and such other officers and agents (including one or more vice-presidents, assistant treasurers, assistant clerks, secretaries and assistant secretaries), with such duties and powers, as the board of directors may, in their discretion, determine.

Section 3.2. Election. The president, treasurer and clerk shall be elected annually by the directors at their first meeting following the annual

meeting of the stockholders. Other officers may be chosen by the directors at such meeting or at any other meeting.

Section 3.3. Qualification. An officer may, but need not, be a director or stockholder and no officer shall be a director solely by virtue of being an officer. Any two or more offices may be held by the same person. The clerk shall be a resident of Massachusetts unless the corporation has a resident agent appointed for the purpose of service of process. Any officer may be required by the directors to give bond for the faithful performance of his duties to the corporation in such amount and with such sureties as the directors may determine. The premiums for such bonds may be paid by the corporation.

Section 3.4. Tenure. Except as otherwise provided by the Articles of Organization or these By-laws, the term of office of each officer shall be for one year or until his successor is qualified or until his earlier resignation or removal.

Section 3.5. Removal. Any officer may be removed from office, with or without cause, by the affirmative vote of a majority of the directors then in office; provided, however, that an officer may be removed for cause only after reasonable notice and opportunity to be heard by the board of directors prior to action thereon.

Section 3.6. Resignation. Any officer may resign by delivering or mailing postage prepaid a written resignation to the corporation at its principal office or to the president, clerk, or assistant clerk, if any, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some event.

Section 3.7. Vacancies. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the board of directors.

Section 3.8. President. The president shall be the chief executive officer of the corporation. Except as otherwise voted by the board or directors, the president shall preside at all meetings of the stockholders and of the board of directors at which present. The president shall have such duties and powers as are commonly incident to the office and such duties and powers as the board of directors shall from time to time designate.

Section 3.9. Vice-Presidents. Vice-presidents, if any, shall have such powers and perform such duties as the board of directors may from time to time determine.

Section 3.10. Treasurer and Assistant Treasurers. The treasurer, subject to the direction and under the supervision and control of the board of directors, shall have general charge of the financial affairs of the corporation. The treasurer shall have custody of all funds, securities and valuable papers of the corporation, except as the board of directors may otherwise provide. The treasurer shall keep or cause to be kept full and accurate records of account which shall be the property of the corporation, and which shall be always open to the inspection of each elected officer and director of the corporation. The treasurer shall deposit or cause to be deposited all funds of the corporation in such depository or depositories as may be authorized by the board of directors. The treasurer shall have the power to endorse for deposit or collection all notes, checks, drafts, and other negotiable instruments payable to the corporation. The treasurer shall have the power to borrow money and enter into and execute arrangements as to advances, loans and credits to the corporation. The treasurer shall perform such other duties as are incidental to the office, and such other duties as may be assigned by the board of directors.

Assistant treasurers, if any, shall have such powers and perform such duties as the board of directors may from time to time determine.

Section 3.11. Clerk and Assistant Clerks. The clerk shall record, or cause to be recorded, all proceedings of the meetings of the stockholders and directors (including committees thereof) in the book of records of this corporation. The record books shall be open at reasonable times to the inspection of any stockholder, director, or officer. The clerk shall notify the

stockholders and directors, when required by law or by these By-laws, of their respective meetings, and shall perform such other duties as the directors and stockholders may from time to time prescribe. The clerk shall have the custody and charge of the corporate seal, and shall affix the seal of the corporation to all instruments requiring such seal, and shall certify under the corporate seal the proceedings of the directors and of the stockholders, when required. In the absence of the clerk at any such meeting, a temporary clerk shall be chosen who shall record the proceedings of the meeting in the aforesaid books.

Assistant clerk, if any, shall have such powers and perform such duties as the board of directors may from time to time designate.

Section 3.12. Other Powers and Duties. Subject to these By-laws and to such limitations as the board of directors may from time to time prescribe, the officers of the corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the board of directors.

ARTICLE IV.

Capital Stock

Section 4.1. Stock Certificates. Each stockholder shall be entitled to a certificate representing the number of shares of the capital stock of the corporation owned by such person in such form as shall, in conformity to law, be prescribed from time to time by the board of directors. Each certificate shall be signed by the president or vice-president and treasurer or

assistant treasurer or such other officers designated by the board of directors from time to time as permitted by law, shall bear the seal of the corporation, and shall express on its face its number, date of issue, class, the number of shares for which, and the name of the person to whom, it is issued. The corporate seal and any or all of the signatures of corporation officers may be facsimile if the stock certificate is manually counter-signed by an authorized person on behalf of a transfer agent or registrar other than the corporation or its employee.

If an officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed on, a certificate shall have ceased to be such before the certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the time of its issue.

Section 4.2. Transfer of Shares. Title to a certificate of stock and to the shares represented thereby shall be transferred only on the books of the corporation by delivery to the corporation or its transfer agent of the certificate properly endorsed, or by delivery of the certificate accompanied by a written assignment of the same, or a properly executed written power of attorney to sell, assign or transfer the same or the shares represented thereby. Upon surrender of a certificate for the shares being transferred, a new certificate or certificates shall be issued according to the interests of the parties.

Section 4.3. Record Holders. Except as otherwise may be required by law, by the Articles of Organization or by these By-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-laws.

It shall be the duty of each stockholder to notify the corporation of his post office address.

Section 4.4. Record Date. In order that the corporation may determine the stockholders entitled to receive notice of or to vote at any meeting of stockholders or any adjournments thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to

exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty (60) days prior to any other action. In such case only stockholders of record on such record date shall be so entitled, notwithstanding any transfer of stock on the books of the corporation after the record date.

If no record date is fixed: (i) the record date for determining stockholders entitled to receive notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (ii) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the board of directors is necessary, shall be the day on which the first written consent is expressed; and (iii) the record date for determining stockholders for

any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 4.5. Transfer Agent and Registrar for Shares of Corporation. The board of directors may appoint a transfer agent and a registrar of the certificates of stock of the corporation. Any transfer agent so appointed shall maintain, among other records, a stockholders' ledger, setting forth the names and addresses of the holders of all issued shares of stock of the corporation, the number of shares held by each, the certificate numbers representing such shares, and the date of issue of the certificates representing such shares. Any registrar so appointed shall maintain, among other records, a share register, setting forth the total number of shares of each class of shares which the corporation is authorized to issue and the total number of shares actually issued. The stockholders' ledger and the share register are hereby identified as the stock transfer books of the corporation; but as between the stockholders' ledger and the share register, the names and addresses of stockholders, as they appear on the stockholders' ledger maintained by the transfer agent shall be the official list of stockholders of record of the corporation. The name and address of each stockholder of record, as they appear upon the stockholders' ledger, shall be conclusive evidence of who are the stockholders entitled to receive notice of the meetings of stockholders, to vote at such meetings, to examine a complete list of the stockholders entitled to vote at meetings, and to own, enjoy and exercise any other property or rights deriving from such shares against the corporation. Stockholders, but not the corporation, its directors, officers, agents or attorneys, shall be responsible for notifying the transfer agent, in writing, of any changes in their names or addresses from time to time, and failure to do so will relieve the corporation, its other stockholders, directors, officers, agents and attorneys, and its transfer agent and registrar, of liability for failure to direct notices or other documents, or pay over or transfer dividends or other property or rights, to a name or address other than the name and address appearing in the stockholders' ledger maintained by the transfer agent.

Section 4.6. Loss of Certificates. In case of the loss, destruction or mutilation of a certificate of stock, a replacement certificate may be issued in place thereof upon such terms as the board of directors may prescribe, including, in the discretion of the board of directors, a requirement of bond and indemnity to the corporation.

Section 4.7. Restrictions on Transfer. Every certificate for shares of stock which are subject to any restriction on transfer, whether pursuant to the Articles of Organization the By-laws or any agreement to which the corporation is a party, shall have the fact of the restriction noted conspicuously on the certificate and shall also set forth on the face or back either the full text of the restriction or a statement that the corporation will furnish a copy to the holder of such certificate upon written request and without charge.

Section 4.8. Multiple Classes of Stock. The amount and classes of the capital stock and the pal value, if any, of the shares, shall be as fixed in the Articles of Organization. At all times when there are two or more classes of stock, the several classes of stock shall conform to the description and the terms and have the respective preferences, voting powers, restrictions and

qualifications set forth in the Articles of Organization and these By-laws. Every certificate issued when the corporation is authorized to issue more than one class or series of stock shall set

forth on its face or back either (i) the full text of the preferences, voting powers, qualifications and special and relative rights of the shares of each class and series authorized to be issued, or (ii) a statement of the existence of such preferences, powers, qualifications and rights, and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

ARTICLE V.

Dividends

Section 5.1. Declaration of Dividends. Except as otherwise required by law or by the Articles of Organization the board of directors may, in its discretion, declare what, if any, dividends shall be paid from the surplus or from the net profits of the corporation upon the stock of the corporation; provided, however, that no dividend shall be declared or paid the payment of which would diminish the amount of the paid-in capital of the corporation. Dividends may be paid in cash, in property, in shares of the corporation's stock, or in any combination thereof. Dividends shall be payable upon such dates as the board of directors may designate.

Section 5.2. Reserves. Before the payment of any dividend and before making any distribution of profits, the board of directors, from time to time and in its absolute discretion, shall have power to set aside out of the surplus or net profits of the corporation such sum or sums as the board of directors deems proper and sufficient as a reserve fund to meet contingencies or for such other purpose as the board of directors shall deem to be in the best interests of the corporation, and the board of directors may modify or abolish any such reserve.

ARTICLE VI.

Powers of Officers to Contract

With the Corporation

Any and all of the directors and officers of the corporation, notwithstanding their official relations to it, may enter into and perform any contract or agreement of any nature between the corporation and themselves, or any and all of the individuals from time to time constituting the board of directors of the corporation, or any firm or corporation in which any such director may be interested, directly or indirectly, whether such individual, firm or corporation thus contracting with the corporation shall thereby derive personal or corporate profits or benefits or otherwise; provided, that (i) the material facts of such interest are disclosed or are known to the board of directors or committee thereof which authorizes such contract or agreement; (ii) if the material facts as to such person's relationship or interest are disclosed or are known to the stockholders entitled to vote thereon, and the contract is specifically approved in good faith by a vote of the stockholders; or (iii) the contract or agreement is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee thereof, or the stockholders. Any director of the corporation who is interested in any transaction as aforesaid may nevertheless be counted in determining the existence of a quorum at any meeting of the board of directors which shall authorize or ratify any such transaction. This Article shall not be

construed to invalidate any contract or other transaction which would otherwise be valid under the common or statutory law applicable thereto.

ARTICLE VII.

Indemnification

Section 7.1. Definitions. For purposes of this Article VII:

(a) "Covered Person" means an individual: (i) who is a present or former director, officer, agent or employee of the corporation or who serves or served another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in one of those capacities or as trustee, partner or fiduciary at the request of the corporation; and (ii) who by reason of his position was, is, or is threatened to be made a party to a proceeding. It shall also include such person's heirs, executors and administrators.

(b) "Proceeding" includes any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and any claim which could be the subject of such a proceeding.

(c) "Disinterested Director" means a director who is not a party to the Proceeding(s) in question.

(d) "Expenses" means liabilities, including but not limited to amounts paid in satisfaction of judgments, in compromises or as fines or penalties, and expenses, including reasonable legal and accounting fees.

Section 7.2. Actions in Name of the Corporation or Stockholder. The corporation may indemnify any Covered Person to the extent legally permissible against all Expenses incurred in connection with the defense or disposition of any Proceeding by or in the name of the corporation or any stockholder in his capacity as such if a reasonable determination is made, based on a review of the readily available facts but without special investigation, that the Covered Person acted in good faith, and in the reasonable belief that his action was in, or not opposed to, the best interest of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. Such determination shall be made by:

(a) the vote of a majority of a quorum of Disinterested Directors;

(b) a special litigation/indemnification committee of the board of directors appointed by the board;

(c) independent legal counsel in a written opinion; or

(d) the vote of the holders of a majority of the outstanding stock at the time entitled to vote for directors, voting as a single class, exclusive of any stock owned by any interested director or officer.

No indemnification shall be made with respect to any matter as to which such Covered Person has been adjudicated liable for negligence or misconduct in the performance of his duty to the corporation, unless, and only to the extent that, the court deciding the action determines that such Covered Person is entitled to indemnification.

Such indemnification may be provided in connection with a Proceeding in which it is claimed that an officer or director received an improper personal benefit by reason of his position, regardless of whether the claim involves his service in such capacity, subject to the foregoing limitations and to the additional limitation that it shall not have been finally determined that an improper personal benefit was received by the director or officer.

Section 7.3. Other Actions. The corporation may indemnify any Covered Person against any Expenses incurred in connection with the defense or disposition of any Proceeding other than a Proceeding of the type described in Section 7.2, except with respect to any matter as to which the Covered Person shall have been finally adjudicated in the Proceeding (i) not to have acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation or, (ii) with respect to any criminal Proceeding, to have had reasonable cause to believe his conduct was unlawful.

Section 7.4. Advances of Expenses. The corporation may advance attorneys' fees or other Expenses incurred by a Covered Person in defending a Proceeding, upon receipt of an undertaking by or on behalf of the Covered Person to repay the amount advanced, which undertaking may be accepted by the board of directors without reference to the financial ability of such Covered Person to make repayment.

Section 7.5. Presumptions upon Termination of Proceeding. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that a person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed, to the best interests of the corporation, or, with respect to any criminal proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 7.6. Indemnification Not Exclusive. The right of indemnification provided by this Article VII shall not be exclusive of or affect any other rights to which any such Covered Person may be entitled.

Section 7.7. Insurance. The corporation may purchase and maintain insurance on its behalf and on behalf of any Covered Person against any liability asserted against such Covered Person and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article VII.

Section 7.8. Employee Benefit Plans. If the corporation or any of its subsidiaries or affiliates sponsors any employee benefit plan, and any Covered Person undertakes or incurs any responsibility as a fiduciary with respect thereto then, for purposes of indemnification of such Covered Person under this Article VII, (i) such Covered Person shall be deemed not to have

failed to have acted in good faith and in the reasonable belief that his action was in or not opposed to the best interests of the corporation if he acted in good faith and in the reasonable belief that his action was in or not opposed to the best interests of the participants or beneficiaries of said plan, and (ii) "Expenses" shall be deemed to include any taxes or penalties assessed on such Covered Person with respect to said plan under applicable law.

ARTICLE VIII.

Miscellaneous Provisions

Section 8.1. Articles of Organization. All references in these By-laws to the Articles of Organization shall be deemed to refer to the Articles of Organization of the corporation, as amended and in effect from time to time.

Section 8.2. Fiscal Year. Except as from time to time otherwise provided by the board of directors, the fiscal year of the corporation shall end on the 31st day in December of each year.

Section 8.3. Corporate Seal. The board of directors shall have the power to adopt and alter the seal of the corporation.

Section 8.4. Execution of Instruments. All deeds, leases, transfers, contracts, bonds, notes, and other obligations authorized to be executed by an officer of the corporation on its behalf shall be signed by the president or the treasurer except as the board of directors may generally or in particular cases otherwise determine.

Section 8.5. Voting of Securities. Unless the board of directors otherwise provides, the president or the treasurer may waive notice of and act on behalf of this corporation, or appoint another person or persons to act as proxy or attorney in fact for this corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by this corporation.

Section 8.6. Evidence of Authority. A certificate by the clerk or any

assistant clerk as to any action taken by the stockholders, directors or any officer or representative of the corporation shall, as to all persons who rely thereon in good faith, be conclusive evidence of such action. The exercise of any power which by law, by the Articles of Organization or by these By-laws, or under any vote of the stockholders or the board of directors, may be exercised by an officer of the corporation only in the event of absence of another officer or any other contingency shall bind the corporation in favor of anyone relying thereon in good faith, whether or not such absence or contingency existed.

Section 8.7. Corporate Records. The original, or attested copies, of the Articles of Organization, By-laws, records of all meetings of the incorporators and stockholders, and the stock transfer books (which shall contain the names of all stockholders and the record address and the amount of stock held by each) shall be kept in Massachusetts at the principal office of the corporation, or at an office of its resident agent, transfer agent or of the clerk or of the assistant clerk, if any. Said copies and records need not all be kept in the same office. They shall be

available at all reasonable times to inspection of any stockholder for any purpose but not to secure a list of stockholders for the purpose of selling said list or copies thereof or of using the same for a purpose other than in the interest of the applicant, as a stockholder, relative to the affairs of the corporation.

Section 8.8. Charitable Contributions. The board of directors from time to time may authorize contributions to be made by the corporation in such amounts as it may determine to be reasonable to corporations, trusts, funds or foundations organized and operated exclusively for charitable, scientific or educational purposes, no part of the net earning of which inures to the private benefit of any stockholder or individual.

Section 8.9. Election in Respect of Control Share Acquisitions. In accordance with the provisions of Chapter 110D of the Massachusetts general Laws, the provisions of such Chapter shall not apply to "control share acquisitions" (as such term is defined under said Chapter 110D) of the corporation.

ARTICLE IX.

Amendments

Section 9.1. Amendment by Stockholders. Prior to the issuance of stock, these By-laws may be amended, altered or repealed by the incorporator(s) by majority vote. After stock has been issued, these By-laws may be amended, altered or repealed by the stockholders at any annual or special meeting by vote of a majority of all shares outstanding and entitled to vote, except that where the effect of the amendment would be to reduce any voting requirement otherwise required by law, the Articles of Organization or these By-laws, such amendment shall require the vote that would have been required by such other provision. Notice and a copy of any proposal to amend these By-laws must be included in the notice of meeting of stockholders at which action is taken upon such amendment.

Section 9.2. Amendment by Board of Directors.

(a) These By-laws may be amended, altered or repealed by the board of directors at a meeting duly called for the purpose by majority vote of the directors then in office, except that directors shall not amend the By-laws in a manner which:

(i) changes the stockholder voting requirements for any action;

(ii) alters or abolishes any preferential right or right of redemption applicable to a class or series of stock with shares already outstanding;

(iii) alters the provisions of Articles VII or IX hereof; or

(iv) permits the board of directors to take any action which under law, the Articles of Organization or these By-laws is required to be taken by the stockholders.

(b) If the By-laws are amended or altered by the board of directors, notice of the amendment, alteration or repeal shall be given to all stockholders entitled to vote not later than the time of giving notice of the next meeting of stockholders following such amendment, alteration or repeal.

(c) Any amendment of these By-laws by the board of directors may be altered or repealed by the stockholders at any annual or special meeting of stockholders.

EXHIBIT 4.1

BBI

BOSTON BIOMEDICA, INC.
WEST BRIDGEWATER, MASSACHUSETTS

NUMBER SHARES
FBU

COMMON STOCK
INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS

THIS STOCK IS TRANSFERABLE IN BOSTON, MASSACHUSETTS OR NEW YORK, NEW YORK CUSIP 100560101

THIS CERTIFIES THAT SEE REVERSE FOR CERTAIN DEFINITIONS

Is the owner of

fully-paid and non-assessable shares of the COMMON STOCK, $.01 par value, of
BOSTON BIOMEDICA, INC.

(herein called the "Corporation"), transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This certificate and the shares represented hereby are subject to the laws of the Commonwealth of Massachusetts and to the Articles of Organization and the By-laws of the Corporation as from time to time amended. This Certificate is not valid unless countersigned by the Transfer Agent and Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated

BOSTON BIOMEDICA, INC.
CORPORATE SEAL 1978
MASSACHUSETTS

_____ _____
President Treasurer

COUNTERSIGNED AND REGISTERED:

American Securities Transfer & Trust, Inc.
_____
BY TRANSFER AGENT
AND REGISTRAR

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tennants in common
TEN ENT - as tennants by the entireties
JT TEN - as joint tennants with right of survivorship and not as tennants in common

UNIF GIFT MIN ACT -- Custodian (Cust) (Minor)
under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For value received, _____, hereby sell, assign and transfer unto
PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE
_____

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ shares

of the common stock represented by the within Certificate and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed:

_____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad.-15.

The Corporation is authorized to issue more than one class of stock. A copy of the full text of the preferences, voting powers, qualifications and special or relative rights of the shares of each class of stock will be provided to the holder hereof upon written request and without charge.

EXHIBIT 10.18.2

EXECUTION

TERM PROMISSORY NOTE

$200,000.00 Boston, Massachusetts
Due: October 18, 1999 Dated: October 11, 1994

FOR VALUE RECEIVED, the undersigned, BOSTON BIOMEDICA, INC., ("BBI"), BTRL CONTRACTS AND SERVICES, INC. ("BTRL") and NORTH AMERICAN LABORATORY GROUP, INC. ("NALG"), each of which is a Massachusetts corporation validly created, legally existing and in good standing under the laws of the Commonwealth of Massachusetts and each of which has its "Notice Address" at 375 West Street, West Bridgewater, Massachusetts 02379 (BBI, BTRL and NALG, together with their successors and assigns, are collectively referred to herein as the "Borrower") JOINTLY AND SEVERALLY, AND UNCONDITIONALLY PROMISE TO PAY TO THE ORDER OF THE FIRST NATIONAL BANK OF BOSTON, a national banking association having an office and "Notice Address" at Bank of Boston-Worcester Tower, P.O. Box 15073, Worcester, Massachusetts 01615-0073 (together with its successors and assigns, the "Lender"), successor-by-merger to WORCESTER COUNTY INSTITUTION FOR SAVINGS, a Massachusetts savings bank ("WCiS"), the principal sum of TWO HUNDRED THOUSAND AND 00/100 DOLLARS ($200,000.00), with interest on the unpaid balance thereof from the date hereof until paid at the rate and in the manner herein provided, in lawful money of the United States of America.

Amended and Restated Loan Agreement. The Borrower and WCiS are parties to a certain Amended and Restated Loan and Security Agreement (the "Agreement") dated as of June 18, 1993, which Agreement was amended by a certain letter agreement dated August 26, 1993 ("Amendment No. 1") by and among the Borrower and WCiS, and further amended by a certain Amendment No. 2 to Amended and Restated Loan and Security Agreement dated as of July 29, 1994 ("Amendment No. 2") by and between the Borrower and the Lender. As of the date hereof, the Borrower and the Lender have entered into a certain Amendment No. 3 to Amended and Restated Loan and Security Agreement (the Agreement, as amended by Amendment No 1, Amendment No. 2 and Amendment No. 3, is hereinafter referred to as the "Loan Agreement"). Terms not otherwise specifically defined in this Term Promissory Note (hereinafter referred to as the "Note") shall have the respective meanings given to them in the Agreement.

Principal Advances. The Lender shall advance sums hereunder, up to the principal amount hereof, for a period of six (6) months from the date hereof in accordance with the provisions of the Loan Agreement (the "Advance Period").

Interest Rate. During the Advance Period, the unpaid principal of this Note from time to time outstanding shall bear interest, computed on the basis of actual number of days elapsed over a year assumed to have 360 days, at an interest rate per annum equal to one and one-quarter percent (1.25%) per annum above the rate of interest established from time to time by the Lender as its Base Lending Rate (the "Base Rate"), such interest rate to be determined on a daily basis and adjusted from time to time on the effective date of any change in the Base Rate by the Lender (the "Adjusted Base Rate"). Thereafter, the unpaid principal amount of this Note from time to time outstanding shall bear interest at the Adjusted Base Rate unless the Borrower shall have elected the Fixed Rate Option (as hereinafter defined) by irrevocable notice to the Lender received not less than ten (10) business days prior to the last business day of the Advance Period. In the absence of such election, the principal amount outstanding hereunder shall bear interest at the Adjusted Base Rate.

"Fixed Rate Option" as used herein shall mean the one-time option of the Borrower to have interest computed hereunder on the basis of an interest rate per annum equal to two and one-half percent (2.50%) per annum above the "Fixed Rate" (as hereinafter defined) (the "Adjusted Fixed Rate"). The "Fixed Rate"

shall be the fixed rate of interest quoted by the Lender for the outstanding principal balance hereunder for the remainder of the term hereunder.

Certain Provisions Regarding Interest. To the extent used herein, Base Rate means the rate of interest per annum announced, from time to time, by the Lender as its Base Rate. The Borrower acknowledges that the Base Rate is a reference rate and not necessarily the lowest rate charged by the Lender to borrowers. Interest per annum shall be calculated for the actual number of days elapsed, from time to time, over a year assumed to have 360 days. Therefore, each dollar of principal outstanding hereunder for all or any part of a day shall accrue interest equal to 1/360th of the annual interest accruing hereunder on each such dollar. Interest shall accrue on each day or part thereof that any principal is outstanding including Sundays, holidays and all days during which the Lender is not open for the conduct of business.

Interest Increase after Maturity or Acceleration. Any and all amounts not paid when due hereunder, whether after maturity, by acceleration or otherwise, shall accrue interest, payable on demand, at the greater of (i) the annual rate of eighteen percent (18%) or (ii) the annual rate equal to two percent (2%) above the Base Rate, if permitted by law, calculated as above from the date when due until so paid.

Payments. Commencing on November 18, 1994, and on the same day of each month thereafter up to and including April 18, 1995, payments of interest only shall be made in arrears on the outstanding principal amount of this Note.

Commencing on May 18, 1995, payments on this Note shall be made in fifty-four (54) consecutive monthly installments of principal and interest. The first fifty-three (53) such installments shall be equal to one-fifty-fourth of the principal amount of this Note which has

been advanced, plus accrued and unpaid interest in arrears. The last installment shall comprise the then unpaid principal balance of this Note together with all accrued and unpaid interest and any and all other fees, charges, costs and expenses due and payable to Lender hereunder.

Late Charges. If any payment due hereunder is not paid within ten (10) days of its due date, the Borrower will also pay to Lender, on demand and in addition to all other amounts payable hereunder, an amount equal to five percent (5%) of the amount of such payment. The assessment or collection of late charges is not intended and shall not be construed to permit payment of any amount payable hereunder beyond the applicable due date thereof. The time period which is allowed before the assessment of late charges is not intended and shall not be construed as a grace or cure period with respect to payment or performance of any obligation hereunder.

Prepayment. To the extent that interest accrues hereunder at the Adjusted Base Rate, the Borrower shall have the right to prepay all or a portion of the entire outstanding principal balance of this Note without penalty so long as such prepayment includes payment of all accrued and unpaid interest and other accrued costs and charges of Lender. If Borrower shall have elected the Fixed Rate Option, the Borrower shall have the right to prepay all or a portion of the entire outstanding principal balance of this Note ("Prepayment") upon (a) delivery of sixty (60) days' prior written notice to the Lender, (b) payment of all accrued interest and other accrued charges and costs of Lender, and (c) payment of a Prepayment premium determined as provided in the next sentence of this paragraph. Such Prepayment premium shall be in an amount equal to the daily interest for the remaining term hereunder on the principal amount so prepaid at a daily rate equal to one-three hundred sixtieth (1/360th) of the difference (if positive) of (i) the Fixed Rate applicable thereto minus (ii) the rate of interest obtainable by the Lender upon the purchase of debt securities customarily issued by the Treasury of the United States of America, in an amount equal to the principal amount so prepaid, which have a maturity date approximating the Maturity Date. The Lender's determination of such amount of interest, in the absence of manifest error, shall be conclusive.

Application of Payments. Any payments received by the Lender on account of

this Note prior to maturity or other acceleration, shall be applied: first, to any fees, charges, costs and expenses then owed to the Lender by Borrower; second to accrued and unpaid interest on the unpaid balance of principal; and third, to the unpaid balance of principal hereof. Any payments received by the Lender on account of this Note after maturity or other acceleration shall be applied in such manner as the Lender may determine.

Note Issued Pursuant to Loan Agreement. This Note is issued pursuant to the Loan Agreement, and the holder hereof is entitled to the benefits of the Loan Agreement, and all other agreements, instruments, guarantees and other documents executed and delivered in connection therewith and herewith (collectively referred to herein as the "Financing Instruments").

Maturity Date. The entire outstanding principal balance hereof together with all accrued and unpaid interest thereon and all fees, charges, costs and expenses due Lender hereunder shall be due and payable on October 18, 1999 (the "Maturity Date").

Security Provided in Other Writings. Payment and performance of this Note may be secured, from time to time, now or hereafter, as provided in one or more security agreements, mortgages, pledges, assignments or any other instruments, documents or agreements ("Security"), whether or not such Security specifically refers to this Note. Any and all such Security may provide, in general terms, that such Security secures obligations of the Borrower to the Lender however and whenever evidenced, created or arising. Payment and performance of this Note is hereby secured by such Security without specific reference to this Note, and, in addition, this Note is secured by any and all Security which specifically refers to or provides security for this Note.

Grant of Security in Accounts and Other Property in Possession of the Lender. To secure the payment and performance of this Note, the Borrower hereby grants to the Lender a continuing security interest in and to: (a) any and all deposits and sums at any time credited by or due from the Lender (or any of its banking or lending affiliates) to the Borrower; and (b) any or all cash, instruments, securities and other property of the Borrower, in the possession, custody or control (whether for safekeeping or otherwise) of, or in transit to or from, the Lender or any such affiliate, including such property in the possession of any third party acting on behalf of the Lender or any such affiliate, regardless of the reason for the receipt, possession, custody or control of such property or any prior release thereof, conditional or otherwise. Upon demand, maturity or acceleration of the payment of this Note, as applicable, the Lender may, at any time, sell or dispose of any or all such property and apply the proceeds thereof against the indebtedness of this Note. With respect to all such property, the Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code and other applicable laws, the choice and manner of exercise of any right or remedy being in the Lender's sole discretion. No such right or remedy shall be exclusive, and each may be exercised by the Lender concurrently or in any order or combination as the Lender may select, from time to time. The Lender shall have the right to foreclose the security interest granted herein by any available judicial procedure and to sell the same with or without judicial process; the Lender may sell or otherwise dispose of such property or any part thereof at public or private sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as the Lender may elect; and, except as to any part of such property which is perishable or which threatens to decline speedily in value, or is of the type customarily sold on a recognized market, the Lender shall give the Borrower reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to the Borrower at least seven (7) days prior to such sale is reasonable notification. The Lender may (but shall have no obligation to) bid for and become the purchaser of any such property.

Setoff. With respect to any and all deposits and sums referred to above, upon the Maturity Date or acceleration of the payment of this Note, the Lender may, at any time, apply

or setoff all or any portion of such deposits or sums against the indebtedness evidenced by this Note, regardless of any other collateral or security available to the Lender.

Payment of Costs and Attorney's Fees. The Borrower agrees, and all co-makers and guarantors also agree, jointly and severally, to pay all costs incurred by the Lender, including all attorneys' reasonable fees and out-of-pocket costs and expenses, including court costs, in connection with (i) the administration or implementation of the loan evidenced by this Note, (ii) the collection of the indebtedness evidenced by this Note, or (iii) the preservation, protection, collection or enforcement of any of the Lender's rights or remedies hereunder or under any other instrument securing or guaranteeing this Note, against the Borrower or any co-maker or guarantor, or against any collateral securing this Note or securing any other instrument, document or agreement securing or guaranteeing this Note (whether or not suit is instituted by or against the Lender).

Waivers and Consents by Borrower and Others. By making or guaranteeing this Note or by making any agreement to pay any of the indebtedness evidenced by this Note, the Borrower, and each co-maker, guarantor, and other person or entity now or hereafter liable for the payment of any of the indebtedness evidenced by this Note, respectively, agrees to waive: presentment for payment; protest; demand; notice of protest, demand, dishonor and non-payment of this Note; all other notices; all other defenses in the nature thereof, including all suretyship defenses; and any and all other demands or notices otherwise required to be given in connection with the delivery, acceptance, endorsement, performance, default or enforcement of this Note, any and all borrowings or advances hereunder, any and all guarantees or undertakings hereof, and any security taken, granted or released, from time to time, in connection herewith. The Borrower and each such co-maker, guarantor and other person or entity hereby consents, without notice: (a) to the substitution, exchange or release, from time to time, of any collateral securing this Note or any part thereof; (b) to the acceptance, from time to time, by the Lender of any additional collateral or security for this Note, or the acceptance, from time to time, of other makers, guarantors or other obligors of this Note, (c) to the modification or amendment, from time to time, of this Note and any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (d) to the granting of any extension of the time for payment of this Note or any other indulgence for the performance of the agreements, covenants and conditions contained in this Note, or any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (e) to any and all other extensions, forbearances and indulgences whatsoever granted by the Lender with respect to this Note, any other liability of the Borrower, or any collateral securing this Note or any other liability of the Borrower to the Lender; and any and all assignments or transfers of this Note and any part or all of the indebtedness evidenced hereby or any security therefor or guarantees thereof to any successor, assignee, participant or other party. The happening of any one or more of the foregoing events shall not alter or diminish the liability of any person or entity liable on this Note. The release by the Lender of the Borrower or any one or more co-makers or guarantors shall not release any other person obligated on account of this Note, except only for payments actually received by Lender free

and clear of the rights of all other parties. No person or entity obligated on account of this Note may seek contribution from any other person or entity also obligated unless and until all liabilities, obligations, and indebtedness to the Lender of the person from whom contribution is sought have been satisfied in full.

Joint and Several Obligations; Binding Effect. This Note and the liabilities of the Borrower shall be the joint and several obligation of each of the undersigned, if more than one, and each guarantor, co-maker, and surety, and shall be binding upon each of them and each of their respective heirs,

representatives, successors and assigns, and shall inure to the benefit of the Lender and its successors, indorsees and assigns. Each reference in this Note to the Borrower, any co-maker and any guarantor refers to each such person or entity individually and also to all such persons and entities jointly. The term "Lender" shall include the Lender and each other payee hereof, or any indorsee of this Note in possession hereof, or the bearer hereof if the Note is at the time payable to the bearer.

The Lender's Rights Reserved. No delay or omission on the part of the Lender in exercising or enforcing any of the Lender's rights, powers, privileges or remedies or discretions hereunder or under any instrument or agreement which is given or may be given to secure or guaranty the indebtedness evidenced hereby, shall operate as a waiver thereof, or of any other right, power, privilege or remedy of such holder on that occasion or on any other occasion, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or any other right on any future occasion, and no waiver of a default hereunder shall operate as a waiver of any other default nor as a continuing waiver.

Default. The entire unpaid principal balance of this Note and all accrued and unpaid interest thereon and all other fees, charges, costs and expenses hereunder shall become immediately due and payable, without demand, prior to the maturity of this Note, at the sole option of the Lender, (exercisable without demand, notice or protest, which are hereby waived) regardless of any prior forbearance or indulgence by the Lender, upon the occurrence of one or more Events of Default as that term is defined in the Loan Agreement.

Commercial Purposes. The Borrower hereby represents to the Lender that the proceeds of this Note shall be used exclusively for business or commercial purposes and not for personal, family or household purposes.

Payment of Proceeds. The proceeds of any and all loans or advances pursuant to this Note may be paid to or at the direction of the Borrower.

Authority to Debit Accounts. The Borrower hereby authorizes the Lender to charge or debit any deposit account of the Borrower with the Lender to effect any payment due hereunder, all without prior notice.

Authority to Complete this Note. In the event that this Note is delivered in an incomplete form in any respect, the Borrower and each co-maker, guarantor and other person

or entity liable hereon, hereby authorizes the Lender, without further notice, to complete any blank spaces and to date the Note, if undated, as of the date funds are first advanced hereunder.

Currency and Payments. All payments on this Note shall be made in lawful currency of the United States of America, in each case without deduction, setoff or counterclaim. All payments on this Note shall be made in immediately available funds. With respect to any payment on this Note which is made by check, the Lender may treat such amount as outstanding pending final collection thereof, and interest hereunder shall continue to accrue pending such final collection.

Acknowledgment of Terms and Receipt of a Copy. The Borrower has read all of the terms and conditions of this Note and has received an exact copy of this Note.

Severability of Provisions. Any determination that any provision of this Note or any application thereof is invalid, illegal, or unenforceable in any respect in any instance shall not affect the validity, legality and enforceability of such provision in any other instance, nor the validity, legality or enforceability of any other provision hereof.

Headings. The headings appearing in this Note are used for convenience only and should not be deemed to affect the interpretation of this Note.

Sealed Instrument. This Note shall take effect as a sealed instrument.

Books and Records; Copies as Evidence. The Lender's books and records concerning the Lender's loans and advances to the Borrower, the accrual of interest thereon, and the repayment of such loans, advances and interest, shall be prima facie evidence of the indebtedness owed under this Note. In any proceeding with respect to this Note, any photographic, photostatic, microfilm or similar reproduction of this Note shall be admissible in evidence as though it were the original, whether or not the original hereof is in existence and whether or not such reproduction was made in the regular course of business.

Governing Law; Jurisdiction for Proceedings. This Note is delivered to the Lender in Boston, Massachusetts and shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts for all purposes and in all respects. The Borrower, and each co-maker and guarantor of this Note submits to the non-exclusive jurisdiction of the courts of the Commonwealth of Massachusetts for all purposes with respect to this Note and any collateral given to secure their respective liabilities, obligations and indebtedness to the Lender, and their respective relationships with the Lender.

Legal Limitation on Interest. Notwithstanding any other provision of this Note to the contrary, in the event that interest pursuant to the provisions of this Note is finally determined by a court of competent jurisdiction to be subject to usury or other similar laws affecting the maximum allowable interest chargeable then, and only then, and only to the extent of such

final determination, the maximum amount of interest payable under this Note shall be the maximum amount of interest determined by such court to be allowed by such laws.

Notices and Notice Addresses. The respective Notice Addresses of the Lender and the Borrower are those stated at the beginning of this Note, together with the following additions: (a) for the Lender, "Attention: Commercial Banking Department"; and (b) for the Borrower, "Attention: Kevin W. Quinlan, Chief Financial Officer". To the extent required or voluntarily given, all notices or demands hereunder shall be sufficient and shall be deemed to have been given if made in writing and given in accordance with the provisions for notice contained in the Loan Agreement. Any party may change its Notice Address hereunder by giving notice of such change to the other party in accordance with the provisions of this subsection.

IN WITNESS WHEREOF, the Borrower has executed this Note, as an instrument under seal as of the date appearing on the first page of this Note.

BOSTON BIOMEDICA, INC.

By:

- ----------
Witness as to Borrower

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

BTRL CONTRACTS AND
SERVICES, INC.

By:

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

NORTH AMERICAN LABORATORY
GROUP, INC.

By:

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

ATTEST:

- ---
Clerk of Boston Biomedica, Inc.

ATTEST:

EXHIBIT 10.18.3

EXECUTION

AMENDED AND RESTATED TERM PROMISSORY NOTE

$849,000.00 Boston, Massachusetts
Due: October 18, 1998 Dated: October 11, 1994

FOR VALUE RECEIVED, the undersigned, BOSTON BIOMEDICA, INC., ("BBI"), BTRL CONTRACTS AND SERVICES, INC. ("BTRL") and NORTH AMERICAN LABORATORY GROUP, INC. ("NALG"), each of which is a Massachusetts corporation validly created, legally existing and in good standing under the laws of the Commonwealth of Massachusetts and each of which has its "Notice Address" at 375 West Street, West Bridgewater, Massachusetts 02379 (BBI, BTRL and NALG, together with their successors and assigns, are collectively referred to herein as the "Borrower") JOINTLY AND SEVERALLY, AND UNCONDITIONALLY PROMISE TO PAY TO THE ORDER OF THE FIRST NATIONAL BANK OF BOSTON, a national banking association having an office and "Notice Address" at Bank of Boston-Worcester Tower, P.O. Box 15073, Worcester, Massachusetts 01615-0073 (together with its successors and assigns, the "Lender"), successor-by-merger to WORCESTER COUNTY INSTITUTION FOR SAVINGS, a Massachusetts savings bank ("WCiS"), the principal sum of EIGHT HUNDRED FORTY-NINE THOUSAND AND 00/100 DOLLARS ($849,000.00), with interest on the unpaid balance thereof from the date hereof until paid at the rate and in the manner herein provided, in lawful money of the United States of America.

Amended and Restated Loan Agreement. The Borrower and WCiS are parties to a certain Amended and Restated Loan and Security Agreement (the "Agreement") dated as of June 18, 1993, which Agreement was amended by a certain letter agreement dated August 26, 1993 ("Amendment No. 1") by and among the Borrower and WCiS, and further amended by a certain Amendment No. 2 to Amended and Restated Loan and Security Agreement dated as of July 29, 1994 ("Amendment No. 2") by and between the Borrower and the Lender. As of the date hereof, the Borrower and the Lender have entered into a certain Amendment No. 3 to Amended and Restated Loan and Security Agreement (the Agreement, as amended by Amendment No 1, Amendment No. 2 and Amendment No. 3 is hereinafter referred to as the "Loan Agreement"). Terms not otherwise specifically defined in this Amended and Restated Term Promissory Note (hereinafter referred to as the "Note") shall have the respective meanings given to them in the Loan Agreement.

Interest Rate. The unpaid principal of this Note from time to time outstanding shall bear interest, computed on the basis of actual number of days elapsed over a year assumed to have 360 days, at an interest rate per annum equal to two and one-half percent (2.50%) per annum above the "Fixed Rate" (as hereinafter defined) (the "Adjusted Fixed Rate"). The

"Fixed Rate" shall be the fixed rate of interest quoted by the Lender on the date hereof for the outstanding balance hereunder for the entire term of this Note.

Certain Provisions Regarding Interest. Interest per annum shall be calculated for the actual number of days elapsed, from time to time, over a year assumed to have 360 days. Therefore, each dollar of principal outstanding hereunder for all or any part of a day shall accrue interest equal to 1/360th of the annual interest accruing hereunder on each such dollar. Interest shall accrue on each day or part thereof that any principal is outstanding including Sundays, holidays and all days which the Lender is not open for the conduct of business.

Interest Increase after Maturity or Acceleration. Any and all amounts not paid when due hereunder, whether after maturity, by acceleration or otherwise, shall accrue interest, payable on demand, at the greater of (i) the annual rate of eighteen percent (18%) or (ii) the annual rate equal to two percent (2%) above the Adjusted Fixed Rate, if permitted by law, calculated as above from the

date when due until so paid.

Payments. Commencing on November 18, 1994, and on the same day of each month thereafter, payments on this Note shall be made in forty-eight (48) consecutive monthly installments of principal plus interest. The first forty-seven (47) such payments shall each comprise the sum of Seventeen Thousand Six Hundred Eighty-seven and 50/100 ($17,687.50) Dollars in principal repayment, plus accrued and unpaid interest in arrears. The last installment shall comprise the then unpaid principal balance of this Note together with all accrued and unpaid interest and any and all other fees, charges, costs and expenses due and payable to the Lender hereunder.

Late Charges. If any payment due hereunder is not paid within ten (10) days of its due date, the Borrower will also pay to Lender, on demand and in addition to all other amounts payable hereunder, an amount equal to five percent (5%) of the amount of such payment. The assessment or collection of late charges is not intended and shall not be construed to permit payment of any amount payable hereunder beyond the applicable due date thereof. The time period which is allowed before the assessment of late charges is not intended and shall not be construed as a grace or cure period with respect to payment or performance of any obligation hereunder.

Prepayment. The Borrower shall have the right to prepay all or a portion of the entire outstanding principal balance of this Note ("Prepayment") upon (a) delivery of sixty (60) days' prior written notice to the Lender, (b) payment of all accrued interest and other accrued charges and costs of Lender, and (c) payment of a Prepayment premium determined as provided in the next sentence of this paragraph. Such Prepayment premium shall be in an amount equal to the daily interest for the remaining term hereunder on the principal amount so prepaid at a daily rate equal to one-three hundred sixtieth (1/360th) of the difference (if positive) of (i) the Fixed Rate applicable thereto minus (ii) the rate of interest obtainable by the Lender upon the purchase of debt securities customarily issued by the Treasury of the United States of America, in an amount equal to the principal amount so prepaid, which have

a maturity date approximating the Maturity Date. The Lender's determination of such amount of interest, in the absence of manifest error, shall be conclusive.

Application of Payments. Any payments received by the Lender on account of this Note prior to maturity or other acceleration, shall be applied: first, to any fees, charges, costs and expenses then owed to the Lender by Borrower; second to accrued and unpaid interest on the unpaid balance of principal; and third, to the unpaid balance of principal hereof. Any payments received by the Lender on account of this Note after maturity or other acceleration shall be applied in such manner as the Lender may determine.

Note Issued Pursuant to Loan Agreement. This Note is issued pursuant to the Loan Agreement, and the holder hereof is entitled to the benefits of the Loan Agreement, and all other agreements, instruments, guarantees and other documents executed and delivered in connection therewith and herewith (collectively referred to herein as the "Financing Instruments").

Maturity Date. The entire outstanding principal balance hereof together with all accrued and unpaid interest thereon and all fees, charges, costs and expenses due Lender hereunder shall be due and payable on October 18, 1998 (the "Maturity Date").

Security Provided in Other Writings. Payment and performance of this Note may be secured, from time to time, now or hereafter, as provided in one or more security agreements, mortgages, pledges, assignments or any other instruments, documents or agreements ("Security"), whether or not such Security specifically refers to this Note. Any and all such Security may provide, in general terms, that such Security secures obligations of the Borrower to the Lender however and whenever evidenced, created or arising. Payment and performance of this Note is hereby secured by such Security without specific reference to this Note, and, in addition, this Note is secured by any and all Security which specifically refers to or provides security for this Note.

Grant of Security in Accounts and Other Property in Possession of the Lender. To secure the payment and performance of this Note, the Borrower hereby grants to the Lender a continuing security interest in and to: (a) any and all deposits and sums at any time credited by or due from the Lender (or any of its banking or lending affiliates) to the Borrower; and (b) any or all cash, instruments, securities and other property of the Borrower, in the possession, custody or control (whether for safekeeping or otherwise) of, or in transit to or from, the Lender or any such affiliate, including such property in the possession of any third party acting on behalf of the Lender or any such affiliate, regardless of the reason for the receipt, possession, custody or control of such property or any prior release thereof, conditional or otherwise. Upon demand, maturity or acceleration of the payment of this Note, as applicable, the Lender may, at any time, sell or dispose of any or all such property and apply the proceeds thereof against the indebtedness of this Note. With respect to all such property, the Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code and other applicable laws, the choice and manner of exercise of any right

or remedy being in the Lender's sole discretion. No such right or remedy shall be exclusive, and each may be exercised by the Lender concurrently or in any order or combination as the Lender may select, from time to time. The Lender shall have the right to foreclose the security interest granted herein by any available judicial procedure and to sell the same with or without judicial process; the Lender may sell or otherwise dispose of such property or any part thereof at public or private sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as the Lender may elect; and, except as to any part of such property which is perishable or which threatens to decline speedily in value, or is of the type customarily sold on a recognized market, the Lender shall give the Borrower reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to the Borrower at least seven (7) days prior to such sale is reasonable notification. The Lender may (but shall have no obligation to) bid for and become the purchaser of any such property.

Setoff. With respect to any and all deposits and sums referred to above, upon the Maturity Date or acceleration of the payment of this Note, the Lender may, at any time, apply or setoff all or any portion of such deposits or sums against the indebtedness evidenced by this Note, regardless of any other collateral or security available to the Lender.

Payment of Costs and Attorney's Fees. The Borrower agrees, and all co-makers and guarantors also agree, jointly and severally, to pay all costs incurred by the Lender, including all attorneys' reasonable fees and out-of-pocket costs and expenses, including court costs, in connection with (i) the administration or implementation of the loan evidenced by this Note, (ii) the collection of the indebtedness evidenced by this Note, or (iii) the preservation, protection, collection or enforcement of any of the Lender's rights or remedies hereunder or under any other instrument securing or guaranteeing this Note, against the Borrower or any co-maker or guarantor, or against any collateral securing this Note or securing any other instrument, document or agreement securing or guaranteeing this Note (whether or not suit is instituted by or against the Lender).

Waivers and Consents by Borrower and Others. By making or guaranteeing this Note or by making any agreement to pay any of the indebtedness evidenced by this Note, the Borrower, and each co-maker, guarantor, and other person or entity now or hereafter liable for the payment of any of the indebtedness evidenced by this Note, respectively, agrees to waive: presentment for payment; protest; demand; notice of protest, demand, dishonor and non-payment of this Note; all other notices; all other defenses in the nature thereof, including all suretyship defenses; and any and all other demands or notices otherwise required to be given in connection with the delivery, acceptance, endorsement, performance, default or enforcement of this Note, any and all borrowings or advances hereunder, any and all guarantees or undertakings hereof, and any security taken, granted or released, from time to time, in connection herewith. The Borrower and each such co-maker, guarantor and other person or entity hereby consents, without notice: (a) to the substitution, exchange or release, from time to time, of any collateral securing this Note or any part thereof; (b) to the acceptance, from time to time, by the Lender of any additional collateral or

security for this Note, or the acceptance, from time to time, of other makers, guarantors or other obligors of

this Note, (c) to the modification or amendment, from time to time, of this Note and any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (d) to the granting of any extension of the time for payment of this Note or any other indulgence for the performance of the agreements, covenants and conditions contained in this Note, or any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (e) to any and all other extensions, forbearances and indulgences whatsoever granted by the Lender with respect to this Note, any other liability of the Borrower, or any collateral securing this Note or any other liability of the Borrower to the Lender; and any and all assignments or transfers of this Note and any part or all of the indebtedness evidenced hereby or any security therefor or guarantees thereof to any successor, assignee, participant or other party. The happening of any one or more of the foregoing events shall not alter or diminish the liability of any person or entity liable on this Note. The release by the Lender of the Borrower or any one or more co-makers or guarantors shall not release any other person obligated on account of this Note, except only for payments actually received by Lender free and clear of the rights of all other parties. No person or entity obligated on account of this Note may seek contribution from any other person or entity also obligated unless and until all liabilities, obligations, and indebtedness to the Lender of the person from whom contribution is sought have been satisfied in full.

Joint and Several Obligations; Binding Effect. This Note and the liabilities of the Borrower shall be the joint and several obligation of each of the undersigned, if more than one, and each guarantor, co-maker, and surety, and shall be binding upon each of them and each of their respective heirs, representatives, successors and assigns, and shall inure to the benefit of the Lender and its successors, indorsees and assigns. Each reference in this Note to the Borrower, any co-maker and any guarantor refers to each such person or entity individually and also to all such persons and entities jointly. The term "Lender" shall include the Lender and each other payee hereof, or any indorsee of this Note in possession hereof, or the bearer hereof if the Note is at the time payable to the bearer.

Lender's Rights Reserved. No delay or omission on the part of the Lender in exercising or enforcing any of the Lender's rights, powers, privileges or remedies or discretions hereunder or under any instrument or agreement which is given or may be given to secure or guaranty the indebtedness evidenced hereby, shall operate as a waiver thereof, or of any other right, power, privilege or remedy of such holder on that occasion or on any other occasion, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or any other right on any future occasion, and no waiver of a default hereunder shall operate as a waiver of any other default nor as a continuing waiver.

Default. The entire unpaid principal balance of this Note and all accrued and unpaid interest thereon and all other fees, charges, costs and expenses hereunder shall become immediately due and payable, without demand, prior to the maturity of this Note, at the sole option of the Lender, (exercisable without demand, notice or protest, which are hereby

waived) regardless of any prior forbearance or indulgence by the Lender, upon the occurrence of one or more Events of Default as that term is defined in the Loan Agreement.

Commercial Purposes. The Borrower hereby represents to the Lender that the proceeds of this Note shall be used exclusively for business or commercial purposes and not for personal, family or household purposes.

Payment of Proceeds. The proceeds of any and all loans or advances pursuant to this Note may be paid to or at the direction of the Borrower.

Authority to Debit Accounts. The Borrower hereby authorizes the Lender to charge or debit any deposit account of the Borrower with the Lender to effect any payment due hereunder, all without prior notice.

Authority to Complete this Note. In the event that this Note is delivered in an incomplete form in any respect, the Borrower and each co-maker, guarantor and other person or entity liable hereon, hereby authorizes the Lender, without further notice, to complete any blank spaces and to date the Note, if undated, as of the date funds are first advanced hereunder.

Currency and Payments. All payments on this Note shall be made in lawful currency of the United States of America, in each case without deduction, setoff or counterclaim. All payments on this Note shall be made in immediately available funds. With respect to any payment on this Note which is made by check, the Lender may treat such amount as outstanding pending final collection thereof, and interest hereunder shall continue to accrue pending such final collection.

Acknowledgment of Terms and Receipt of a Copy. The Borrower has read all of the terms and conditions of this Note and has received an exact copy of this Note.

Severability of Provisions. Any determination that any provision of this Note or any application thereof is invalid, illegal, or unenforceable in any respect in any instance shall not affect the validity, legality and enforceability of such provision in any other instance, nor the validity, legality or enforceability of any other provision hereof.

Headings. The headings appearing in this Note are used for convenience only and should not be deemed to affect the interpretation of this Note.

Sealed Instrument. This Note shall take effect as a sealed instrument.

Books and Records; Copies as Evidence. The Lender's books and records concerning the Lender's loans and advances to the Borrower, the accrual of interest thereon, and the repayment of such loans, advances and interest, shall be prima facie evidence of the indebtedness owed under this Note. In any proceeding with respect to this Note, any

photographic, photostatic, microfilm or similar reproduction of this Note shall be admissible in evidence as though it were the original, whether or not the original hereof is in existence and whether or not such reproduction was made in the regular course of business.

Governing Law; Jurisdiction for Proceedings. This Note is delivered to the Lender in Boston, Massachusetts and shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts for all purposes and in all respects. The Borrower, and each co-maker and guarantor of this Note submits to the non-exclusive jurisdiction of the courts of the Commonwealth of Massachusetts for all purposes with respect to this Note and any collateral given to secure their respective liabilities, obligations and indebtedness to the Lender, and their respective relationships with the Lender.

Legal Limitation on Interest. Notwithstanding any other provision of this Note to the contrary, in the event that interest pursuant to the provisions of this Note is finally determined by a court of competent jurisdiction to be subject to usury or other similar laws affecting the maximum allowable interest chargeable then, and only then, and only to the extent of such final determination, the maximum amount of interest payable under this Note shall be the maximum amount of interest determined by such court to be allowed by such laws.

Notices and Notice Addresses. The respective Notice Addresses of the Lender

and the Borrower are those stated at the beginning of this Note, together with the following additions: (a) for the Lender, "Attention: Commercial Banking Group"; and (b) for the Borrower, "Attention: Kevin W. Quinlan, Chief Financial Officer". To the extent required or voluntarily given, all notices or demands hereunder shall be sufficient and shall be deemed to have been given if made in writing and given in accordance with the provisions for notice contained in the Loan Agreement. Any party may change its Notice Address hereunder by giving notice of such change to the other party in accordance with the provisions of this subsection.

Continuing Obligation. This Note amends and restates, in its entirety, (i) a $400,000 principal amount Term Promissory Note from BBI and BTRL dated July 29, 1992; and (ii) a $500,000 principal amount Term Promissory Note dated June 18, 1993. Upon the execution and delivery of this Note, this Note shall replace the $400,000 Term Promissory Note and the $500,000 Term Note and shall immediately evidence all outstanding indebtedness under the $400,000 Term Promissory Note and the $500,000 Term Note. The Borrower and Lender hereby agree that the indebtedness embodied in and evidenced by this Note is the same indebtedness embodied in and evidenced by the $400,000 Term Promissory Note and the $500,000 Term Promissory Note, increased as provided herein, and that such indebtedness is a continuing obligation of the Borrower to the Lender, and has been and continues to be fully enforceable, absolute and in existence.

IN WITNESS WHEREOF, the Borrower has executed this Note, as an instrument under seal as of the date appearing on the first page of this Note.

BOSTON BIOMEDICA, INC.

By:

- ----------
Witness as to Borrower

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

BTRL CONTRACTS AND SERVICES, INC.

By:

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

NORTH AMERICAN LABORATORY GROUP, INC.

By:

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

ATTEST:

- ----------
Clerk of Boston Biomedica, Inc.

EXHIBIT 10.18.4

EXECUTION

TERM PROMISSORY NOTE

$350,000.00 Boston, Massachusetts
Due: August 2, 2000 Dated: August 2, 1995

FOR VALUE RECEIVED, the undersigned, BOSTON BIOMEDICA, INC., ("BBI"), BTRL CONTRACTS AND SERVICES, INC. ("BTRL") and BBI-NORTH AMERICAN CLINICAL LABORATORIES, INC., formerly known as NORTH AMERICAN LABORATORY GROUP, INC., ("NACL"), each of which is a Massachusetts corporation validly created, legally existing and in good standing under the laws of the Commonwealth of Massachusetts and each of which has its "Notice Address" at 375 West Street, West Bridgewater, Massachusetts 02379, with BBI having its principal place of business at its Notice Address, BTRL having its principal place of business at 3 Taft Court, Rockville, Maryland 20850 and NACL having its principal place of business at 75 North Mountain Road, New Britain, Connecticut 06053 (BBI, BTRL and NACL, together with their successors and assigns, are collectively referred to herein as the "Borrower") JOINTLY AND SEVERALLY, AND UNCONDITIONALLY PROMISE TO PAY TO THE ORDER OF THE FIRST NATIONAL BANK OF BOSTON, a national banking association having an office and "Notice Address" at Bank of Boston-Worcester Tower, P.O. Box 15073, 100 Front Street, Worcester, Massachusetts 01608-1438 (together with its successors and assigns, the "Lender"), successor-by-merger to WORCESTER COUNTY INSTITUTION FOR SAVINGS, a Massachusetts savings bank ("WCiS"), the principal sum of THREE HUNDRED FIFTY THOUSAND DOLLARS ($350,000.00), with interest on the unpaid balance thereof from the date hereof until paid at the rate and in the manner herein provided, in lawful money of the United States of America.

Second Amended and Restated Loan Agreement. The Borrower and the Lender are parties to a certain Second Amended and Restated Loan and Security Agreement (the "Loan Agreement") dated as of the date hereof. Terms not otherwise specifically defined in this Term Promissory Note (hereinafter referred to as the "Note") shall have the respective meanings given to them in the Loan Agreement.

Principal Advances. The Lender shall advance sums hereunder, up to the principal amount hereof, for a period of six (6) months from the date hereof in accordance with the provisions of the Loan Agreement (the "Advance Period").

Interest Rate. The unpaid principal of this Note from time to time outstanding shall bear interest, computed on the basis of actual number of days elapsed over a year assumed to have 360 days, at an interest rate per annum equal to one percent (1.00%) per annum above the rate of interest established from time to time by the Lender as its Base Lending Rate (the "Base Rate"), such interest rate to be determined on a daily basis and adjusted from time to time on the effective date of any change in the Base Rate by the Lender.

Certain Provisions Regarding Interest. To the extent used herein, Base Rate means the rate of interest per annum announced, from time to time, by the Lender as its Base Rate. The Borrower acknowledges that the Base Rate is a reference rate and not necessarily the lowest rate charged by the Lender to borrowers. Interest per annum shall be calculated for the actual number of days elapsed, from time to time, over a year assumed to have 360 days. Therefore, each dollar of principal outstanding hereunder for all or any part of a day shall accrue interest equal to 1/360th of the annual interest accruing hereunder on each such dollar. Interest shall accrue on each day or part thereof that any principal is outstanding including Sundays, holidays and all days during which the Lender is not open for the conduct of business.

Interest Increase after Maturity or Acceleration. Any and all amounts not paid when due hereunder, whether after maturity, by acceleration or otherwise, shall accrue interest, payable on demand, at the greater of (i) the annual rate of eighteen percent (18%) or (ii) the annual rate equal to two percent (2%)

above the Base Rate, if permitted by law, calculated as above from the date when due until so paid.

Payments. Commencing on August 18, 1995, and on the same day of each month thereafter up to and including February 18, 1996, payments of interest only shall be made in arrears on the outstanding principal amount of this Note.

Commencing on March 18, 1996, payments on this Note shall be made in fifty-four (54) consecutive monthly installments of principal and interest. The first fifty-three (53) such installments shall be equal to one-fifty-fourth of the principal amount of this Note which has been advanced, plus accrued and unpaid interest in arrears. The last installment shall comprise the then unpaid principal balance of this Note together with all accrued and unpaid interest and any and all other fees, charges, costs and expenses due and payable to Lender hereunder.

Late Charges. If any payment due hereunder is not paid within ten (10) days of its due date, the Borrower will also pay to Lender, on demand and in addition to all other amounts payable hereunder, an amount equal to five percent (5%) of the amount of such payment. The assessment or collection of late charges is not intended and shall not be construed to permit payment of any amount payable hereunder beyond the applicable due date thereof. The time period which is allowed before the assessment of late charges is not intended and shall not be construed as a grace or cure period with respect to payment or performance of any obligation hereunder.

Prepayment. To the extent that interest accrues hereunder at the Adjusted Base Rate, the Borrower shall have the right to prepay all or a portion of the entire outstanding principal balance of this Note without penalty so long as such prepayment includes payment of all accrued and unpaid interest and other accrued costs and charges of Lender. If Borrower shall have elected the Fixed Rate Option, the Borrower shall have the right to prepay all or a portion of the entire outstanding principal balance of this Note

("Prepayment") upon (a) delivery of sixty (60) days' prior written notice to the Lender, (b) payment of all accrued interest and other accrued charges and costs of Lender, and (c) payment of a Prepayment premium determined as provided in the next sentence of this paragraph. Such Prepayment premium shall be in an amount equal to the daily interest for the remaining term hereunder on the principal amount so prepaid at a daily rate equal to one-three hundred sixtieth (1/360th) of the difference (if positive) of (i) the Fixed Rate applicable thereto minus (ii) the rate of interest obtainable by the Lender upon the purchase of debt securities customarily issued by the Treasury of the United States of America, in an amount equal to the principal amount so prepaid, which have a maturity date approximating the Maturity Date. The Lender's determination of such amount of interest, in the absence of manifest error, shall be conclusive.

Application of Payments. Any payments received by the Lender on account of this Note prior to maturity or other acceleration, shall be applied: first, to any fees, charges, costs and expenses then owed to the Lender by the Borrower in connection with this Note; second to accrued and unpaid interest on the unpaid balance of principal; and third, to the unpaid balance of principal hereof. Any payments received by the Lender on account of this Note after maturity or other acceleration shall be applied in such manner as the Lender may determine.

Note Issued Pursuant to Loan Agreement. This Note is issued pursuant to the Loan Agreement, and the holder hereof is entitled to the benefits of the Loan Agreement, and all other agreements, instruments, guarantees and other documents executed and delivered in connection therewith and herewith (collectively referred to herein as the "Financing Instruments").

Maturity Date. The entire outstanding principal balance hereof together with all accrued and unpaid interest thereon and all fees, charges, costs and expenses due Lender hereunder shall be due and payable on August 2, 2000 (the "Maturity Date").

Security Provided in Other Writings. Payment and performance of this Note may be secured, from time to time, now or hereafter, as provided in one or more

security agreements, mortgages, pledges, assignments or any other instruments, documents or agreements ("Security"), whether or not such Security specifically refers to this Note. Any and all such Security may provide, in general terms, that such Security secures obligations of the Borrower to the Lender however and whenever evidenced, created or arising. Payment and performance of this Note is hereby secured by such Security without specific reference to this Note, and, in addition, this Note is secured by any and all Security which specifically refers to or provides security for this Note.

Grant of Security in Accounts and Other Property in Possession of the Lender. To secure the payment and performance of this Note, the Borrower hereby grants to the Lender a continuing security interest in and to: (a) any and all deposits and sums at any time credited by or due from the Lender (or any of its banking or lending affiliates) to the

Borrower; and (b) any or all cash, instruments, securities and other property of the Borrower, in the possession, custody or control (whether for safekeeping or otherwise) of, or in transit to or from, the Lender or any such affiliate, including such property in the possession of any third party acting on behalf of the Lender or any such affiliate, regardless of the reason for the receipt, possession, custody or control of such property or any prior release thereof, conditional or otherwise. Upon demand, maturity or acceleration of the payment of this Note, as applicable, the Lender may, at any time, sell or dispose of any or all such property and apply the proceeds thereof against the indebtedness of this Note. With respect to all such property, the Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code and other applicable laws, the choice and manner of exercise of any right or remedy being in the Lender's sole discretion. No such right or remedy shall be exclusive, and each may be exercised by the Lender concurrently or in any order or combination as the Lender may select, from time to time. The Lender shall have the right to foreclose the security interest granted herein by any available judicial procedure and to sell the same with or without judicial process; the Lender may sell or otherwise dispose of such property or any part thereof at public or private sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as the Lender may elect; and, except as to any part of such property which is perishable or which threatens to decline speedily in value, or is of the type customarily sold on a recognized market, the Lender shall give the Borrower reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to the Borrower at least seven (7) days prior to such sale is reasonable notification. The Lender may (but shall have no obligation to) bid for and become the purchaser of any such property.

Setoff. With respect to any and all deposits and sums referred to above, upon the Maturity Date or acceleration of the payment of this Note, the Lender may, at any time, apply or setoff all or any portion of such deposits or sums against the indebtedness evidenced by this Note, regardless of any other collateral or security available to the Lender.

Payment of Costs and Attorney's Fees. The Borrower agrees, and all co-makers and guarantors also agree, jointly and severally, to pay all costs incurred by the Lender, including all attorneys' reasonable fees and out-of-pocket costs and expenses, including court costs, in connection with (i) the administration or implementation of the loan evidenced by this Note, (ii) the collection of the indebtedness evidenced by this Note, or (iii) the preservation, protection, collection or enforcement of any of the Lender's rights or remedies hereunder or under any other instrument securing or guaranteeing this Note, against the Borrower or any co-maker or guarantor, or against any collateral securing this Note or securing any other instrument, document or agreement securing or guaranteeing this Note (whether or not suit is instituted by or against the Lender).

Waivers and Consents by Borrower and Others. By making or guaranteeing this Note or by making any agreement to pay any of the indebtedness evidenced by this Note, the Borrower, and each co-maker, guarantor, and other person or entity now or hereafter

liable for the payment of any of the indebtedness evidenced by this Note, respectively, agrees to waive: presentment for payment; protest; demand; notice of protest, demand, dishonor and non-payment of this Note; all other notices; all other defenses in the nature thereof, including all suretyship defenses; and any and all other demands or notices otherwise required to be given in connection with the delivery, acceptance, endorsement, performance, default or enforcement of this Note, any and all borrowings or advances hereunder, any and all guarantees or undertakings hereof, and any security taken, granted or released, from time to time, in connection herewith. The Borrower and each such co-maker, guarantor and other person or entity hereby consents, without notice: (a) to the substitution, exchange or release, from time to time, of any collateral securing this Note or any part thereof; (b) to the acceptance, from time to time, by the Lender of any additional collateral or security for this Note, or the acceptance, from time to time, of other makers, guarantors or other obligors of this Note, (c) to the modification or amendment, from time to time, of this Note and any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (d) to the granting of any extension of the time for payment of this Note or any other indulgence for the performance of the agreements, covenants and conditions contained in this Note, or any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (e) to any and all other extensions, forbearances and indulgences whatsoever granted by the Lender with respect to this Note, any other liability of the Borrower, or any collateral securing this Note or any other liability of the Borrower to the Lender; and any and all assignments or transfers of this Note and any part or all of the indebtedness evidenced hereby or any security therefor or guarantees thereof to any successor, assignee, participant or other party. The happening of any one or more of the foregoing events shall not alter or diminish the liability of any person or entity liable on this Note. The release by the Lender of the Borrower or any one or more co-makers or guarantors shall not release any other person obligated on account of this Note, except only for payments actually received by Lender free and clear of the rights of all other parties. No person or entity obligated on account of this Note may seek contribution from any other person or entity also obligated unless and until all liabilities, obligations, and indebtedness to the Lender of the person from whom contribution is sought have been satisfied in full.

Joint and Several Obligations; Binding Effect. This Note and the liabilities of the Borrower shall be the joint and several obligation of each of the undersigned, if more than one, and each guarantor, co-maker, and surety, and shall be binding upon each of them and each of their respective heirs, representatives, successors and assigns, and shall inure to the benefit of the Lender and its successors, indorsees and assigns. Each reference in this Note to the Borrower, any co-maker and any guarantor refers to each such person or entity individually and also to all such persons and entities jointly. The term "Lender" shall include the Lender and each other payee hereof, or any indorsee of this Note in possession hereof, or the bearer hereof if the Note is at the time payable to the bearer.

The Lender's Rights Reserved. No delay or omission on the part of the Lender in exercising or enforcing any of the Lender's rights, powers, privileges or remedies or discretions hereunder or under any instrument or agreement which is given or may be given to secure or guaranty the indebtedness evidenced hereby, shall operate as a waiver thereof, or of any other right, power, privilege or remedy of such holder on that occasion or on any other occasion, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or any other right on any future occasion, and no waiver of a default hereunder shall operate as a waiver of any other default nor as a continuing waiver.

Default. The entire unpaid principal balance of this Note and all accrued and unpaid interest thereon and all other fees, charges, costs and expenses hereunder shall become immediately due and payable, without demand, prior to the

maturity of this Note, at the sole option of the Lender, (exercisable without demand, notice or protest, which are hereby waived) regardless of any prior forbearance or indulgence by the Lender, upon the occurrence of one or more Events of Default as that term is defined in the Loan Agreement.

Commercial Purposes. The Borrower hereby represents to the Lender that the proceeds of this Note shall be used exclusively for business or commercial purposes and not for personal, family or household purposes.

Payment of Proceeds. The proceeds of any and all loans or advances pursuant to this Note may be paid to or at the direction of the Borrower.

Authority to Debit Accounts. The Borrower hereby authorizes the Lender to charge or debit any deposit account of the Borrower with the Lender to effect any payment due hereunder, all without prior notice.

Authority to Complete this Note. In the event that this Note is delivered in an incomplete form in any respect, the Borrower and each co-maker, guarantor and other person or entity liable hereon, hereby authorizes the Lender, without further notice, to complete any blank spaces and to date the Note, if undated, as of the date funds are first advanced hereunder.

Currency and Payments. All payments on this Note shall be made in lawful currency of the United States of America, in each case without deduction, setoff or counterclaim. All payments on this Note shall be made in immediately available funds. With respect to any payment on this Note which is made by check, the Lender may treat such amount as outstanding pending final collection thereof, and interest hereunder shall continue to accrue pending such final collection.

Acknowledgment of Terms and Receipt of a Copy. The Borrower has read all of the terms and conditions of this Note and has received an exact copy of this Note.

Severability of Provisions. Any determination that any provision of this Note or any application thereof is invalid, illegal, or unenforceable in any respect in any instance shall not affect the validity, legality and enforceability of such provision in any other instance, nor the validity, legality or enforceability of any other provision hereof.

Headings. The headings appearing in this Note are used for convenience only and should not be deemed to affect the interpretation of this Note.

Sealed Instrument. This Note shall take effect as a sealed instrument.

Books and Records; Copies as Evidence. The Lender's books and records concerning the Lender's loans and advances to the Borrower, the accrual of interest thereon, and the repayment of such loans, advances and interest, shall be prima facie evidence of the indebtedness owed under this Note. In any proceeding with respect to this Note, any photographic, photostatic, microfilm or similar reproduction of this Note shall be admissible in evidence as though it were the original, whether or not the original hereof is in existence and whether or not such reproduction was made in the regular course of business.

Governing Law; Jurisdiction for Proceedings. This Note is delivered to the Lender in Boston, Massachusetts and shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts for all purposes and in all respects. The Borrower, and each co-maker and guarantor of this Note submits to the non-exclusive jurisdiction of the courts of the Commonwealth of Massachusetts for all purposes with respect to this Note and any collateral given to secure their respective liabilities, obligations and indebtedness to the Lender, and their respective relationships with the Lender.

Legal Limitation on Interest. Notwithstanding any other provision of this Note to the contrary, in the event that interest pursuant to the provisions of this Note is finally determined by a court of competent jurisdiction to be subject to usury or other similar laws affecting the maximum allowable interest chargeable then, and only then, and only to the extent of such final

determination, the maximum amount of interest payable under this Note shall be the maximum amount of interest determined by such court to be allowed by such laws.

Notices and Notice Addresses. The respective Notice Addresses of the Lender and the Borrower are those stated at the beginning of this Note, together with the following additions: (a) for the Lender, "Attention: Commercial Banking Department"; and (b) for the Borrower, "Attention: Kevin W. Quinlan, Chief Financial Officer". To the extent required or voluntarily given, all notices or demands hereunder shall be sufficient and shall be deemed to have been given if made in writing and given in accordance with the provisions for notice contained in the Loan Agreement. Any party may change its Notice Address hereunder by giving notice of such change to the other party in accordance with the provisions of this subsection.

IN WITNESS WHEREOF, the Borrower has executed this Note, as an instrument under seal as of the date appearing on the first page of this Note.

BOSTON BIOMEDICA, INC.

/s/ ?
- ----------
Witness as to Borrower

By: /s/ Kevin W. Quinlan

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

BTRL CONTRACTS AND
SERVICES, INC.

By: /s/ Kevin W. Quinlan

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

BBI - NORTH AMERICAN
CLINICAL LABORATORIES, INC.

By: /s/ Kevin W. Quinlan

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

EXHIBIT 10.18.5

EXECUTION

TERM PROMISSORY NOTE

$100,000.00 Boston, Massachusetts
Due: December 1, 2000 Dated: December 29, 1995

FOR VALUE RECEIVED, the undersigned, BOSTON BIOMEDICA, INC., ("BBI"), BTRL CONTRACTS AND SERVICES, INC. ("BTRL") and BBI-NORTH AMERICAN CLINICAL LABORATORIES, INC. ("NACL"), each of which is a Massachusetts corporation validly created, legally existing and in good standing under the laws of The Commonwealth of Massachusetts and each of which has its "Notice Address" at 375 West Street, West Bridgewater, Massachusetts 02379, with BBI having its principal place of business at its Notice Address, BTRL having its principal place of business at 3 Taft Court, Rockville, Maryland 20850 and NACL having its principal place of business at 75 North Mountain Road, New Britain, Connecticut 06053 (BBI, BTRL and NACL, together with their successors and assigns, are collectively referred to herein as the "Borrower") JOINTLY AND SEVERALLY, AND UNCONDITIONALLY PROMISE TO PAY TO THE ORDER OF THE FIRST NATIONAL BANK OF BOSTON, a national banking association having an office and "Notice Address" at Bank of Boston-Worcester Tower, P.O. Box 15073, 100 Front Street, Worcester, Massachusetts 01608-1438 (together with its successors and assigns, the "Lender") the principal sum of ONE HUNDRED THOUSAND DOLLARS ($100,000), with interest on the unpaid balance thereof from the date hereof until paid at the rate and in the manner herein provided, in lawful money of the United States of America.

Note Issued Pursuant to Loan Agreement. This Note is issued pursuant to a certain Second Amended and Restated Loan and Security Agreement by and among the Borrower and the Lender, dated as of August 2, 1995, as amended by a certain First Amendment to Second Amended and Restated Loan and Security Agreement by and among the Borrower and the Lender, dated as of December 11, 1995, and a certain Second Amendment to Second Amended and Restated Loan and Security Agreement by and among the Borrower and the Lender, dated as of the date herewith (as so amended and as may be further amended, restated or modified hereafter, the "Loan Agreement"), and the holder hereof is entitled to the benefits of the Loan Agreement, and all other agreements, instruments, guarantees and other documents defined therein as the "Financing Instruments". Terms not otherwise specifically defined in this Term Promissory Note (hereinafter referred to as the "Note") shall have the respective meanings given to them in the Loan Agreement.

Interest Rate. The unpaid principal of this Note from time to time outstanding shall bear interest, computed on the basis of actual number of days elapsed over a year assumed to have three hundred and sixty (360) days, at an interest rate per annum equal to one percent (1%) per annum above the rate of interest established from time to time by the Lender as its Base Lending Rate (the "Base Rate"), such interest rate to be determined on a daily basis and adjusted from time to time on the effective date of any change in the Base Rate by the Lender (the "Adjusted Base Rate"); provided, however, that the Borrower may,

at any time, elect to have interest computed hereunder pursuant to the Fixed Rate Option (as hereinafter defined) by written notice to the Lender, which notice, once sent to the Lender, shall be irrevocable. In the absence of the election of the Fixed Rate Option, the principal amount outstanding hereunder shall bear interest at the Adjusted Base Rate.

"Fixed Rate Option" as used herein shall mean the one-time option of the Borrower to have interest computed hereunder on the basis of an interest rate per annum equal to two and one-half percent (2.50%) per annum above the "Fixed Rate" (as hereinafter defined) (the "Adjusted Fixed Rate") for a period of three, four or five years (the "Fixed Rate Period"). The "Fixed Rate" shall be the fixed rate of interest quoted by the Lender for the outstanding principal balance hereunder for the remainder of the term hereunder. Upon expiration of the Fixed Rate Period, the principal amount outstanding hereunder shall then

immediately bear interest at the Adjusted Base Rate for the balance at the term hereof, if any.

Certain Provisions Regarding Interest. The Borrower acknowledges that the Base Rate is a reference rate and not necessarily the lowest rate charged by the Lender to borrowers. Interest per annum shall be calculated for the actual number of days elapsed, from time to time, over a year assumed to have 360 days. Therefore, each dollar of principal outstanding hereunder for all or any part of a day shall accrue interest equal to 1/360th of the annual interest accruing hereunder on each such dollar. Interest shall accrue on each day or part thereof that any principal is outstanding including Sundays, holidays and all days during which the Lender is not open for the conduct of business.

Interest Increase after Maturity or Acceleration. Any and all amounts not paid when due hereunder, whether after the Maturity Date (as hereinafter defined), by acceleration or otherwise, shall accrue interest, payable on demand, at the annual rate equal to four percent (4%) above the Base Rate (the "Default Rate"), if permitted by law, calculated as above from the date when due until so paid.

Payments. Commencing on January 1st, 1996, and on the same day of each month thereafter until the Maturity Date, payments on this Note shall be made in sixty (60) consecutive monthly installments of principal and interest. The first fifty-nine (59) such installments shall be equal to one-sixtieth (1/60th) of the principal amount of this Note, plus accrued and unpaid interest in arrears. The last installment shall comprise the then unpaid principal balance of this Note together with all accrued and unpaid interest and any and all other fees, charges, costs and expenses due and payable to the Lender hereunder.

Late Charges. If any payment due hereunder is not paid within ten (10) days of its due date, the Borrower will also pay to the Lender, on demand and in addition to all other amounts payable hereunder, an amount equal to three percent (3%) of the amount of such payment. The assessment or collection of late charges is not

intended and shall not be construed to permit payment of any amount payable hereunder beyond the applicable due date thereof. The time period which is allowed before the assessment of late charges is not intended and shall not be construed as a grace or cure period with respect to payment or performance of any obligation hereunder.

Prepayment. "Prepayment" shall mean any payment of the outstanding principal due hereunder, whether in whole or in part, (a) on any date in advance of the date scheduled therefor, or (b) following acceleration of the loan as a consequence of the occurrence of any Event of Default, as defined below. Any Prepayment made by the Borrower (other than a payment of the full outstanding principal balance due under the Note) must be in an amount which is an integral multiple of $10,000. Prior to the making of any Prepayment, the Borrower shall: (a) deliver five (5) days' prior written notice to the Lender apprising the Lender of the making of such Prepayment, (b) pay all accrued interest and other accrued charges and costs of Lender to the date of prepayment on the principal amount so prepaid, (c) pay a Prepayment premium equal to one percent (1%) of the amount prepaid in the event that such Prepayment is from a refinancing, and (d) if, at the time of Prepayment, the Borrower has elected the Fixed Rate Option, pay the Fixed Rate Prepayment Premium as defined in the next sentence of this paragraph. The "Fixed Rate Prepayment Premium" shall be an amount reasonably determined by the Lender for the loss, if any, including any lost profits, resulting from such prepayment. The Borrower shall pay the Prepayment premium or the Fixed Rate Prepayment Premium, whichever is applicable, upon presentation by the Lender of a statement therefor, which in either case shall be deemed true and correct, absent manifest error. In addition, in the case of the Fixed Rate Prepayment Premium, such statement shall set forth the Lender's calculation of the same, which statement and calculation (including the method of calculation) shall be deemed true and correct, absent manifest error. Any amounts prepaid by the Borrower may not be subsequently re-borrowed from the Lender.

Application of Payments. Any payments received by the Lender on account of this Note prior to the Maturity Date or by acceleration or otherwise, shall be applied: first, to any fees, charges, costs and expenses then owed to the

Lender by the Borrower in connection with this Note; second to accrued and unpaid interest on the unpaid balance of principal; and third, to the unpaid balance of principal hereof. Any payments received by the Lender on account of this Note after the Maturity Date or by acceleration or otherwise shall be applied in such manner as the Lender may determine.

Maturity Date. The entire outstanding principal balance hereof together with all accrued and unpaid interest thereon and all fees, charges, costs and expenses due the Lender hereunder shall be due and payable on December 1, 2000 (the "Maturity Date").

Security Provided in Other Writings. Payment and performance of this Note may be secured, from time to time, now or hereafter, as provided in one or more security agreements, mortgages, pledges, assignments or any other instruments, documents or agreements ("Security"), whether or not such Security specifically refers to this Note. Any and all such Security may provide, in general terms, that such Security secures obligations of the Borrower to the Lender however and whenever evidenced, created or arising.

Payment and performance of this Note is hereby secured by such Security without specific reference to this Note, and, in addition, this Note is secured by any and all Security which specifically refers to or provides security for this Note, or is referenced in the Loan Agreement or otherwise.

Grant of Security in Accounts and Other Property in Possession of the Lender. To secure the payment and performance of this Note, the Borrower hereby grants to the Lender a continuing security interest in and to: (a) any and all deposits and sums at any time credited by or due from the Lender (or any of its banking or lending affiliates) to the Borrower; and (b) any or all cash, instruments, securities and other property of the Borrower, in the possession, custody or control (whether for safekeeping or otherwise) of, or in transit to or from, the Lender or any such affiliate, including such property in the possession of any third party acting on behalf of the Lender or any such affiliate, regardless of the reason for the receipt, possession, custody or control of such property or any prior release thereof, conditional or otherwise. Upon demand, maturity or acceleration of the payment of this Note, as applicable, the Lender may, at any time, sell or dispose of any or all such property and apply the proceeds thereof against the indebtedness of this Note. With respect to all such property, the Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code and other applicable laws, the choice and manner of exercise of any right or remedy being in the Lender's sole discretion. No such right or remedy shall be exclusive, and each may be exercised by the Lender concurrently or in any order or combination as the Lender may select, from time to time. The Lender shall have the right to foreclose the security interest granted herein by any available judicial procedure and to sell the same with or without judicial process; the Lender may sell or otherwise dispose of such property or any part thereof at public or private sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as the Lender may elect; and, except as to any part of such property which is perishable or which threatens to decline speedily in value, or is of the type customarily sold on a recognized market, the Lender shall give the Borrower reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to the Borrower at least seven (7) days prior to such sale is reasonable notification. The Lender may (but shall have no obligation to) bid for and become the purchaser of any such property.

Setoff. With respect to any and all deposits and sums referred to above, upon the Maturity Date or upon acceleration of the payment of this Note, the Lender may, at any time, apply or setoff all or any portion of such deposits or sums against the indebtedness evidenced by this Note, regardless of any other collateral or security available to the Lender.

Payment of Costs and Attorney's Fees. The Borrower agrees, and all co-makers and guarantors also agree, jointly and severally, to pay all costs incurred by the Lender, including all attorneys' reasonable fees and out-of-pocket costs and expenses, including court costs, in connection with (i) the administration or implementation of the loan evidenced by this Note, (ii) the collection of the indebtedness evidenced by this Note, or (iii) the

preservation, protection, collection or enforcement of any of the Lender's rights or remedies hereunder or under any other instrument securing or guaranteeing this Note, against the Borrower or any co-maker or guarantor, or against any collateral securing this Note or securing any other instrument, document or agreement securing or guaranteeing this Note (whether or not suit is instituted by or against the Lender).

Waivers and Consents by Borrower and Others. By making or guaranteeing this Note or by making any agreement to pay any of the indebtedness evidenced by this Note, the Borrower, and each co-maker, guarantor, and other person or entity now or hereafter liable for the payment of any of the indebtedness evidenced by this Note, respectively, agrees to waive: presentment for payment; protest; demand; notice of protest, demand, dishonor and non-payment of this Note; all other notices; all other defenses in the nature thereof, including all suretyship defenses; and any and all other demands or notices otherwise required to be given in connection with the delivery, acceptance, endorsement, performance, default or enforcement of this Note, any and all borrowings or advances hereunder, any and all guarantees or undertakings hereof, and any security taken, granted or released, from time to time, in connection herewith. The Borrower and each such co-maker, guarantor and other person or entity hereby consents, without notice: (a) to the substitution, exchange or release, from time to time, of any collateral securing this Note or any part thereof; (b) to the acceptance, from time to time, by the Lender of any additional collateral or security for this Note, or the acceptance, from time to time, of other makers, guarantors or other obligors of this Note, (c) to the modification, substitution, extension or amendment, from time to time, of this Note and any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (d) to the granting of any extension of the time for payment of this Note or any other indulgence for the performance of the agreements, covenants and conditions contained in this Note, or any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (e) to any and all other extensions, forbearances and indulgences whatsoever granted by the Lender with respect to this Note, any other liability of the Borrower, or any collateral securing this Note or any other liability of the Borrower to the Lender; and any and all assignments or transfers of this Note and any part or all of the indebtedness evidenced hereby or any security therefor or guarantees thereof to any successor, assignee, participant or other party. The happening of any one or more of the foregoing events shall not alter or diminish the liability of any person or entity liable on this Note. The release by the Lender of the Borrower or any one or more co-makers or guarantors shall not release any other person obligated on account of this Note, except only for payments actually received by Lender free and clear of the rights of all other parties. No person or entity obligated on account of this Note may seek contribution from any other person or entity also obligated unless and until all liabilities, obligations, and indebtedness to the Lender of the person from whom contribution is sought have been satisfied in full.

Joint and Several Obligations; Binding Effect. This Note and the liabilities of the Borrower shall be the joint and several obligation of each of the undersigned, if more than

one, and each guarantor, co-maker, and surety, and shall be binding upon each of them and each of their respective heirs, representatives, successors and assigns, and shall inure to the benefit of the Lender and its successors, indorsees and assigns. Each reference in this Note to the Borrower, any co-maker and any guarantor refers to each such person or entity individually and also to all such persons and entities jointly. The term "Lender" shall include the Lender and each other payee hereof, or any indorsee of this Note in possession hereof, or the bearer hereof if the Note is at the time payable to the bearer.

The Lender's Rights Reserved. No delay or omission on the part of the

Lender in exercising or enforcing any of the Lender's rights, powers, privileges or remedies or discretions hereunder or under any instrument or agreement which is given or may be given to secure or guaranty the indebtedness evidenced hereby, shall operate as a waiver thereof, or of any other right, power, privilege or remedy of such holder on that occasion or on any other occasion, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or any other right on any future occasion, and no waiver of a default hereunder shall operate as a waiver of any other default nor as a continuing waiver.

Default. The entire unpaid principal balance of this Note and all accrued and unpaid interest thereon and all other fees, charges, costs and expenses hereunder shall become immediately due and payable, without demand, prior to the maturity of this Note, at the sole option of the Lender, (exercisable without demand, notice or protest, which are hereby waived) regardless of any prior forbearance or indulgence by the Lender, upon the occurrence of one or more Events of Default as that term is defined in the Loan Agreement.

Commercial Purposes. The Borrower hereby represents to the Lender that the proceeds of this Note shall be used exclusively for business or commercial purposes and not for personal, family or household purposes.

Payment of Proceeds. The proceeds of any and all loans or advances pursuant to this Note may be paid to or at the direction of the Borrower.

Authority to Debit Accounts. The Borrower hereby authorizes the Lender to charge or debit any deposit account of the Borrower with the Lender to effect any payment due hereunder, all without prior notice.

Authority to Complete this Note. In the event that this Note is delivered in an incomplete form in any respect, the Borrower and each co-maker, guarantor and other person or entity liable hereon, hereby authorizes the Lender, without further notice, to complete any blank spaces and to date the Note, if undated, as of the date funds are first advanced hereunder.

Currency and Payments. All payments on this Note shall be made in lawful currency of the United States of America, in each case without deduction, setoff or counterclaim. All payments on this Note shall be made in immediately available funds. With respect to any payment on this Note which is made by check, the Lender may treat such amount as outstanding pending final collection thereof, and interest hereunder shall continue to accrue pending such final collection.

Acknowledgment of Terms and Receipt of a Copy. The Borrower has read all of the terms and conditions of this Note and has received an exact copy of this Note.

Severability of Provisions. Any determination that any provision of this Note or any application thereof is invalid, illegal, or unenforceable in any respect in any instance shall not affect the validity, legality and enforceability of such provision in any other instance, nor the validity, legality or enforceability of any other provision hereof.

Headings. The headings appearing in this Note are used for convenience only and should not be deemed to affect the interpretation of this Note.

Sealed Instrument. This Note shall take effect as a sealed instrument.

Books and Records; Copies as Evidence. The Lender's books and records concerning the Lender's loans and advances to the Borrower, the accrual of interest thereon, and the repayment of such loans, advances and interest, shall be prima facie evidence of the indebtedness owed under this Note. In any proceeding with respect to this Note, any photographic, photostatic, microfilm or similar reproduction of this Note shall be admissible in evidence as though it were the original, whether or not the original hereof is in existence and whether or not such reproduction was made in the regular course of business.

Governing Law; Jurisdiction for Proceedings. This Note is delivered to the Lender in Boston, Massachusetts and shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts for all purposes and in all respects. The Borrower, and each co-maker and guarantor of this Note submits to the non-exclusive jurisdiction of the courts of The Commonwealth of Massachusetts for all purposes with respect to this Note and any collateral given to secure their respective liabilities, obligations and indebtedness to the Lender, and their respective relationships with the Lender.

Legal Limitation on Interest. Notwithstanding any other provision of this Note to the contrary, in the event that interest pursuant to the provisions of this Note is finally determined by a court of competent jurisdiction to be subject to usury or other similar laws affecting the maximum allowable interest chargeable then, and only then, and only to the extent of such final determination, the maximum amount of interest payable under this Note shall be the maximum amount of interest determined by such court to be allowed by such laws.

Notices and Notice Addresses. The respective Notice Addresses of the Lender and the Borrower are those stated at the beginning of this Note, together with the following additions: (a) for the Lender, "Attention: Commercial Banking Department"; and (b) for the Borrower, "Attention: Kevin W. Quinlan, Chief Financial Officer". To the extent required or voluntarily given, all notices or demands hereunder shall be sufficient and shall be deemed to have been given if made in writing and given in accordance with the provisions for notice contained in the Loan Agreement. Any party may change its Notice Address hereunder by giving notice of such change to the other party in accordance with the provisions of this subsection.

IN WITNESS WHEREOF, the Borrower has executed this Note, as an instrument under seal as of the date appearing on the first page of this Note.

BORROWER

BOSTON BIOMEDICA, INC.

/s/ Kevin W. Quinlan
- ----------
Witness as to Borrower

By: /s/ Richard T. Schumacher

Richard T. Schumacher
President
Hereunto duly authorized

BTRL CONTRACTS AND SERVICES, INC.

By: /s/ Richard T. Schumacher

Richard T. Schumacher
President
Hereunto duly authorized

BBI - NORTH AMERICAN CLINICAL LABORATORIES, INC.

By: /s/ Richard T. Schumacher

Richard T. Schumacher
President
Hereunto duly authorized

EXHIBIT 10.18.6

EXECUTION

TERM PROMISSORY NOTE

$750,000.00 Boston, Massachusetts
Due: December 1, 2002 Dated: December 11, 1995

FOR VALUE RECEIVED, the undersigned, BOSTON BIOMEDICA, INC., ("BBI"), BTRL CONTRACTS AND SERVICES, INC. ("BTRL") and BBI-NORTH AMERICAN CLINICAL LABORATORIES, INC. ("NACL"), each of which is a Massachusetts corporation validly created, legally existing and in good standing under the laws of the Commonwealth of Massachusetts and each of which has its "Notice Address" at 375 West Street, West Bridgewater, Massachusetts 02379, with BBI having its principal place of business at its Notice Address, BTRL having its principal place of business at 3 Taft Court, Rockville, Maryland 20850 and NACL having its principal place of business at 75 North Mountain Road, New Britain, Connecticut 06053 (BBI, BTRL and NACL, together with their successors and assigns, are collectively referred to herein as the "Borrower") JOINTLY AND SEVERALLY, AND UNCONDITIONALLY PROMISE TO PAY TO THE ORDER OF THE FIRST NATIONAL BANK OF BOSTON, a national banking association having an office and "Notice Address" at Bank of Boston-Worcester Tower, P.O. Box 15073, 100 Front Street, Worcester, Massachusetts 01608-1438 (together with its successors and assigns, the "Lender") the principal sum of SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($750,000.00), with interest on the unpaid balance thereof from the date hereof until paid at the rate and in the manner herein provided, in lawful money of the United States of America.

Note Issued Pursuant to Loan Agreement. This Note is issued pursuant to a certain Real Estate Loan Agreement (the "Loan Agreement") by and among the Borrower and the Lender, and the holder hereof is entitled to the benefits of the Loan Agreement, and all other agreements, instruments, guarantees and other documents defined therein as the "Financing Documents". Terms not otherwise specifically defined in this Term Promissory Note (hereinafter referred to as the "Note") shall have the respective meanings given to them in the Loan Agreement.

Interest Rate. The unpaid principal of this Note from time to time outstanding shall bear interest, computed on the basis of actual number of days elapsed over a year assumed to have three hundred and sixty (360) days, at an interest rate per annum equal to one percent (1%) per annum above the rate of interest established from time to time by the Lender as its Base Lending Rate (the "Base Rate"), such interest rate to be determined on a daily basis and adjusted from time to time on the effective date of any change in the Base Rate by the Lender (the "Adjusted Base Rate"); provided, however, that the Borrower may, at any time, elect to have interest computed hereunder pursuant to the Fixed Rate Option (as hereinafter defined) by written notice to the Lender, which notice, once sent to the Lender, shall be irrevocable. In the absence of the election of the Fixed Rate Option, the principal amount outstanding hereunder shall bear interest at the Adjusted Base Rate.

"Fixed Rate Option" as used herein shall mean the one-time option of the Borrower to have interest computed hereunder on the basis of an interest rate per annum equal to two and one-half percent (2.50%) per annum above the "Fixed Rate" (as hereinafter defined) (the "Adjusted Fixed Rate") for a period of three, four or five years (the "Fixed Rate Period"). The "Fixed Rate" shall be the fixed rate of interest quoted by the Lender for the outstanding principal balance hereunder for the remainder of the term hereunder. Upon expiration of the Fixed Rate Period, the principal amount outstanding hereunder shall then immediately bear interest at the Adjusted Base Rate for the balance at the term hereof, if any.

Certain Provisions Regarding Interest. The Borrower acknowledges that the Base Rate is a reference rate and not necessarily the lowest rate charged by the Lender to borrowers. Interest per annum shall be calculated for the actual number of days elapsed, from time to time, over a year assumed to have 360 days.

Therefore, each dollar of principal outstanding hereunder for all or any part of a day shall accrue interest equal to 1/360th of the annual interest accruing hereunder on each such dollar. Interest shall accrue on each day or part thereof that any principal is outstanding including Sundays, holidays and all days during which the Lender is not open for the conduct of business.

Interest Increase after Maturity or Acceleration. Any and all amounts not paid when due hereunder, whether after the Maturity Date (as hereinafter defined), by acceleration or otherwise, shall accrue interest, payable on demand, at the annual rate equal to four percent (4%) above the Base Rate (the "Default Rate"), if permitted by law, calculated as above from the date when due until so paid.

Payments. Commencing on January 1st, 1996, and on the same day of each month thereafter until the Maturity Date, payments on this Note shall be made in eighty-four (84) consecutive monthly installments of principal and interest. The first eighty-three (83) such installments shall be equal to one-eighty-fourth (1/84th) of the principal amount of this Note, plus accrued and unpaid interest in arrears. The last installment shall comprise the then unpaid principal balance of this Note together with all accrued and unpaid interest and any and all other fees, charges, costs and expenses due and payable to the Lender hereunder.

Late Charges. If any payment due hereunder is not paid within ten (10) days of its due date, the Borrower will also pay to the Lender, on demand and in addition to all other amounts payable hereunder, an amount equal to three percent (3%) of the amount of such payment. The assessment or collection of late charges is not intended and shall not be construed to permit payment of any amount payable hereunder beyond the applicable due date thereof. The time period which is allowed before the assessment of late charges is not intended and shall not be construed as a grace or cure period with respect to payment or performance of any obligation hereunder.

Prepayment. "Prepayment" shall mean any payment of the outstanding principal due hereunder, whether in whole or in part, (a) on any date in advance of the date scheduled therefor, or (b) following acceleration of the loan as a consequence of the occurrence of any Event of Default, as defined below. Any Prepayment made by the Borrower (other than a payment of the full outstanding principal balance due under the Note) must be in an amount which is an integral multiple of $10,000. Prior to the making of any Prepayment, the Borrower shall: (a) deliver five (5) days' prior written notice to the Lender apprising the Lender of the making of such Prepayment, (b) pay all accrued interest and other accrued charges and costs of Lender to the date of prepayment on the principal amount so prepaid, (c) pay a Prepayment premium equal to one percent (1%) of the amount prepaid in the event that such Prepayment is from a refinancing, and (d) if, at the time of Prepayment, the Borrower has elected the Fixed Rate Option, pay the Fixed Rate Prepayment Premium as defined in the next sentence of this paragraph. The "Fixed Rate Prepayment Premium" shall be an amount reasonably determined by the Lender for the loss, if any, including any lost profits, resulting from such prepayment. The Borrower shall pay the Prepayment premium or the Fixed Rate Prepayment Premium, whichever is applicable, upon presentation by the Lender of a statement therefor, which in either case shall be deemed true and correct, absent manifest error. In addition, in the case of the Fixed Rate Prepayment Premium, such statement shall set forth the Lender's calculation of the same, which statement and calculation (including the method of calculation) shall be deemed true and correct, absent manifest error. Any amounts prepaid by the Borrower may not be subsequently re-borrowed from the Lender.

Notwithstanding the foregoing, "Prepayment" as defined in the immediately preceding paragraph shall not include repayment of Fifty Thousand and 00/100 Dollars ($50,000.00) upon the sale of the so-called "Manley Property" in full compliance with, and as more particularly described in, a certain Letter Agreement between the Borrower and the Lender of even date and delivery herewith (the "Letter Agreement").

Application of Payments. Any payments received by the Lender on account of this Note prior to the Maturity Date or by acceleration or otherwise, shall be applied: first, to any fees, charges, costs and expenses then owed to the

Lender by the Borrower in connection with this Note; second to accrued and unpaid interest on the unpaid balance of principal; and third, to the unpaid balance of principal hereof. Any payments received by the Lender on account of this Note after the Maturity Date or by acceleration or otherwise shall be applied in such manner as the Lender may determine.

Maturity Date. The entire outstanding principal balance hereof together with all accrued and unpaid interest thereon and all fees, charges, costs and expenses due the Lender hereunder shall be due and payable on December 1, 2002 (the "Maturity Date").

Security Provided in Other Writings. Payment and performance of this Note may be secured, from time to time, now or hereafter, as provided in one or more security agreements, mortgages, pledges, assignments or any other instruments, documents or agreements ("Security"), whether or not such Security specifically refers to this Note. Any

and all such Security may provide, in general terms, that such Security secures obligations of the Borrower to the Lender however and whenever evidenced, created or arising. Payment and performance of this Note is hereby secured by such Security without specific reference to this Note, and, in addition, this Note is secured by any and all Security which specifically refers to or provides security for this Note, or is referenced in the Loan Agreement or otherwise.

Grant of Security in Accounts and Other Property in Possession of the Lender. To secure the payment and performance of this Note, the Borrower hereby grants to the Lender a continuing security interest in and to: (a) any and all deposits and sums at any time credited by or due from the Lender (or any of its banking or lending affiliates) to the Borrower; and (b) any or all cash, instruments, securities and other property of the Borrower, in the possession, custody or control (whether for safekeeping or otherwise) of, or in transit to or from, the Lender or any such affiliate, including such property in the possession of any third party acting on behalf of the Lender or any such affiliate, regardless of the reason for the receipt, possession, custody or control of such property or any prior release thereof, conditional or otherwise. Upon demand, maturity or acceleration of the payment of this Note, as applicable, the Lender may, at any time, sell or dispose of any or all such property and apply the proceeds thereof against the indebtedness of this Note. With respect to all such property, the Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code and other applicable laws, the choice and manner of exercise of any right or remedy being in the Lender's sole discretion. No such right or remedy shall be exclusive, and each may be exercised by the Lender concurrently or in any order or combination as the Lender may select, from time to time. The Lender shall have the right to foreclose the security interest granted herein by any available judicial procedure and to sell the same with or without judicial process; the Lender may sell or otherwise dispose of such property or any part thereof at public or private sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as the Lender may elect; and, except as to any part of such property which is perishable or which threatens to decline speedily in value, or is of the type customarily sold on a recognized market, the Lender shall give the Borrower reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to the Borrower at least seven (7) days prior to such sale is reasonable notification. The Lender may (but shall have no obligation to) bid for and become the purchaser of any such property.

Setoff. With respect to any and all deposits and sums referred to above, upon the Maturity Date or upon acceleration of the payment of this Note, the Lender may, at any time, apply or setoff all or any portion of such deposits or sums against the indebtedness evidenced by this Note, regardless of any other collateral or security available to the Lender.

Payment of Costs and Attorney's Fees. The Borrower agrees, and all co-makers and guarantors also agree, jointly and severally, to pay all costs incurred by the Lender, including all attorneys' reasonable fees and out-of-pocket costs and expenses, including court

costs, in connection with (i) the administration or implementation of the loan evidenced by this Note, (ii) the collection of the indebtedness evidenced by this Note, or (iii) the preservation, protection, collection or enforcement of any of the Lender's rights or remedies hereunder or under any other instrument securing or guaranteeing this Note, against the Borrower or any co-maker or guarantor, or against any collateral securing this Note or securing any other instrument, document or agreement securing or guaranteeing this Note (whether or not suit is instituted by or against the Lender).

Waivers and Consents by Borrower and Others. By making or guaranteeing this Note or by making any agreement to pay any of the indebtedness evidenced by this Note, the Borrower, and each co-maker, guarantor, and other person or entity now or hereafter liable for the payment of any of the indebtedness evidenced by this Note, respectively, agrees to waive: presentment for payment; protest; demand; notice of protest, demand, dishonor and non-payment of this Note; all other notices; all other defenses in the nature thereof, including all suretyship defenses; and any and all other demands or notices otherwise required to be given in connection with the delivery, acceptance, endorsement, performance, default or enforcement of this Note, any and all borrowings or advances hereunder, any and all guarantees or undertakings hereof, and any security taken, granted or released, from time to time, in connection herewith. The Borrower and each such co-maker, guarantor and other person or entity hereby consents, without notice: (a) to the substitution, exchange or release, from time to time, of any collateral securing this Note or any part thereof; (b) to the acceptance, from time to time, by the Lender of any additional collateral or security for this Note, or the acceptance, from time to time, of other makers, guarantors or other obligors of this Note, (c) to the modification, substitution, extension or amendment, from time to time, of this Note and any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (d) to the granting of any extension of the time for payment of this Note or any other indulgence for the performance of the agreements, covenants and conditions contained in this Note, or any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (e) to any and all other extensions, forbearances and indulgences whatsoever granted by the Lender with respect to this Note, any other liability of the Borrower, or any collateral securing this Note or any other liability of the Borrower to the Lender; and any and all assignments or transfers of this Note and any part or all of the indebtedness evidenced hereby or any security therefor or guarantees thereof to any successor, assignee, participant or other party. The happening of any one or more of the foregoing events shall not alter or diminish the liability of any person or entity liable on this Note. The release by the Lender of the Borrower or any one or more co-makers or guarantors shall not release any other person obligated on account of this Note, except only for payments actually received by Lender free and clear of the rights of all other parties. No person or entity obligated on account of this Note may seek contribution from any other person or entity also obligated unless and until all liabilities, obligations, and indebtedness to the Lender of the person from whom contribution is sought have been satisfied in full.

Joint and Several Obligations; Binding Effect. This Note and the liabilities of the Borrower shall be the joint and several obligation of each of the undersigned, if more than one, and each guarantor, co-maker, and surety, and shall be binding upon each of them and each of their respective heirs, representatives, successors and assigns, and shall inure to the benefit of the Lender and its successors, indorsees and assigns. Each reference in this Note to the Borrower, any co-maker and any guarantor refers to each such person or entity individually and also to all such persons and entities jointly. The term "Lender" shall include the Lender and each other payee hereof, or any indorsee of this Note in possession hereof, or the bearer hereof if the Note is at the time payable to the bearer.

The Lender's Rights Reserved. No delay or omission on the part of the Lender in exercising or enforcing any of the Lender's rights, powers, privileges or remedies or discretions hereunder or under any instrument or agreement which

is given or may be given to secure or guaranty the indebtedness evidenced hereby, shall operate as a waiver thereof, or of any other right, power, privilege or remedy of such holder on that occasion or on any other occasion, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or any other right on any future occasion, and no waiver of a default hereunder shall operate as a waiver of any other default nor as a continuing waiver.

Default. The entire unpaid principal balance of this Note and all accrued and unpaid interest thereon and all other fees, charges, costs and expenses hereunder shall become immediately due and payable, without demand, prior to the maturity of this Note, at the sole option of the Lender, (exercisable without demand, notice or protest, which are hereby waived) regardless of any prior forbearance or indulgence by the Lender, upon the occurrence of one or more Events of Default as that term is defined in the Loan Agreement.

Commercial Purposes. The Borrower hereby represents to the Lender that the proceeds of this Note shall be used exclusively for business or commercial purposes and not for personal, family or household purposes.

Payment of Proceeds. The proceeds of any and all loans or advances pursuant to this Note may be paid to or at the direction of the Borrower.

Authority to Debit Accounts. The Borrower hereby authorizes the Lender to charge or debit any deposit account of the Borrower with the Lender to effect any payment due hereunder, all without prior notice.

Authority to Complete this Note. In the event that this Note is delivered in an incomplete form in any respect, the Borrower and each co-maker, guarantor and other person or entity liable hereon, hereby authorizes the Lender, without further notice, to complete any blank spaces and to date the Note, if undated, as of the date funds are first advanced hereunder.

Currency and Payments. All payments on this Note shall be made in lawful currency of the United States of America, in each case without deduction, setoff or counterclaim. All payments on this Note shall be made in immediately available funds. With respect to any payment on this Note which is made by check, the Lender may treat such amount as outstanding pending final collection thereof, and interest hereunder shall continue to accrue pending such final collection.

Acknowledgment of Terms and Receipt of a Copy. The Borrower has read all of the terms and conditions of this Note and has received an exact copy of this Note.

Severability of Provisions. Any determination that any provision of this Note or any application thereof is invalid, illegal, or unenforceable in any respect in any instance shall not affect the validity, legality and enforceability of such provision in any other instance, nor the validity, legality or enforceability of any other provision hereof.

Headings. The headings appearing in this Note are used for convenience only and should not be deemed to affect the interpretation of this Note.

Sealed Instrument. This Note shall take effect as a sealed instrument.

Books and Records; Copies as Evidence. The Lender's books and records concerning the Lender's loans and advances to the Borrower, the accrual of interest thereon, and the repayment of such loans, advances and interest, shall be prima facie evidence of the indebtedness owed under this Note. In any proceeding with respect to this Note, any photographic, photostatic, microfilm or similar reproduction of this Note shall be admissible in evidence as though it were the original, whether or not the original hereof is in existence and whether or not such reproduction was made in the regular course of business.

Governing Law; Jurisdiction for Proceedings. This Note is delivered to the Lender in Boston, Massachusetts and shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts for all purposes

and in all respects. The Borrower, and each co-maker and guarantor of this Note submits to the non-exclusive jurisdiction of the courts of The Commonwealth of Massachusetts for all purposes with respect to this Note and any collateral given to secure their respective liabilities, obligations and indebtedness to the Lender, and their respective relationships with the Lender.

Legal Limitation on Interest. Notwithstanding any other provision of this Note to the contrary, in the event that interest pursuant to the provisions of this Note is finally determined by a court of competent jurisdiction to be subject to usury or other similar laws affecting the maximum allowable interest chargeable then, and only then, and only to the extent of such final determination, the maximum amount of interest payable under this Note shall be the maximum amount of interest determined by such court to be allowed by such laws.

Notices and Notice Addresses. The respective Notice Addresses of the Lender and the Borrower are those stated at the beginning of this Note, together with the following additions: (a) for the Lender, "Attention: Commercial Banking Department"; and (b) for the Borrower, "Attention: Kevin W. Quinlan, Chief Financial Officer". To the extent required or voluntarily given, all notices or demands hereunder shall be sufficient and shall be deemed to have been given if made in writing and given in accordance with the provisions for notice contained in the Loan Agreement. Any party may change its Notice Address hereunder by giving notice of such change to the other party in accordance with the provisions of this subsection.

IN WITNESS WHEREOF, the Borrower has executed this Note, as an instrument under seal as of the date appearing on the first page of this Note.

BORROWER

BOSTON BIOMEDICA, INC.

/s/ Suanne C. St. Charles
- ----------
Witness as to Borrower

By: /s/ Richard T. Schumacher

Richard T. Schumacher
President
Hereunto duly authorized

BTRL CONTRACTS AND SERVICES, INC.

By: /s/ Richard T. Schumacher

Richard T. Schumacher
President
Hereunto duly authorized

BBI - NORTH AMERICAN CLINICAL LABORATORIES, INC.

By: /s/ Richard T. Schumacher

Richard T. Schumacher
President
Hereunto duly authorized

EXHIBIT 10.18.7

TERM PROMISSORY NOTE

$250,000.00 Boston, Massachusetts
Due: July 31, 2001 Dated: July 31, 1996

FOR VALUE RECEIVED, the undersigned, (a) BOSTON BIOMEDICA, INC., (together with its successors and assigns, "BBI"), (b) BTRL CONTRACTS AND SERVICES, INC. (together with its successors and assigns, "BTRL") and (c) BBI-NORTH AMERICAN CLINICAL LABORATORIES, INC., formerly known as NORTH AMERICAN LABORATORY GROUP, INC. (together with its successors and assigns, "NACL"), each of which is a Massachusetts corporation validly created, legally existing and in good standing under the laws of the Commonwealth of Massachusetts and each of which has its "Notice Address" at 375 West Street, West Bridgewater, Massachusetts 02379, with BBI having its principal place of business at its Notice Address, BTRL having its principal place of business at 3 Taft Court, Rockville, Maryland 20850 and NACL having its principal place of business at 75 North Mountain Road, New Britain, Connecticut 06053 (BBI, BTRL and NACL are collectively referred to herein as the "Borrower") JOINTLY AND SEVERALLY, AND UNCONDITIONALLY PROMISE TO PAY TO THE ORDER OF THE FIRST NATIONAL BANK OF BOSTON, a national banking association having an office and "Notice Address" at Bank of Boston-Worcester Tower, P.O. Box 15073, 100 Front Street, Worcester, Massachusetts 01608-1438 (together with its successors and assigns, the "Lender"), successor-by-merger to WORCESTER COUNTY INSTITUTION FOR SAVINGS, a Massachusetts savings bank ("WCiS"), the principal sum of TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS ($250,000.00), with interest on the unpaid balance thereof from the date hereof until paid at the rate and in the manner herein provided, in lawful money of the United States of America.

Second Amended and Restated Loan Agreement. The Borrower and the Lender are parties to a certain Second Amended and Restated Loan and Security Agreement, dated as of August 2, 1995, as amended by (a) a certain First Amendment to Second Amended and Restated Loan and Security Agreement, dated as of December 11, 1995, and (b) a Second Amendment to Second Amended and Restated Loan and Security Agreement, dated of even date herewith (said Second Amended and Restated Loan Agreement, as so amended, is hereinafter referred to as the "Loan Agreement"). Terms not otherwise specifically defined in this Term Promissory Note (hereinafter referred to as the "Note") shall have the respective meanings given to them in the Loan Agreement.

Principal Advances. The Lender shall advance sums hereunder, up to the principal amount hereof, for a period of six (6) months from the date hereof, in accordance with the provisions of the Loan Agreement (the "Advance Period").

Interest Rate. The unpaid principal of this Note from time to time outstanding shall bear interest, computed on the basis of actual number of days elapsed over a year assumed to have three hundred and sixty (360) days, at an interest rate per annum equal to one percent (1%) per annum above the rate of interest established from time to time by the

Lender as its Base Lending Rate (the "Base Rate"), such interest rate to be determined on a daily basis and adjusted from time to time on the effective date of any change in the Base Rate by the Lender (the "Adjusted Base Rate"); provided, however, that the Borrower may, at any time, elect to have interest computed hereunder pursuant to the Fixed Rate Option (as hereinafter defined) by written notice to the Lender, which notice, once sent to the Lender, shall be irrevocable. In the absence of the election of the Fixed Rate Option, the principal amount outstanding hereunder shall bear interest at the Adjusted Base Rate.

"Fixed Rate Option" as used herein shall mean the one-time option of the Borrower to have interest computed hereunder on the basis of an interest rate per annum equal to two and one-half percent (2.50%) per annum above the Fixed Rate (as hereinafter defined) (the "Adjusted Fixed Rate") for a period of three, four or five years (the "Fixed Rate Period"). The "Fixed Rate" shall be the fixed rate of interest quoted by the Lender for the outstanding principal

balance hereunder for the remainder of the term hereunder. Upon expiration of the Fixed Rate Period, the principal amount outstanding hereunder shall then immediately bear interest at the Adjusted Base Rate for the balance at the term hereof, if any.

Certain Provisions Regarding Interest. To the extent used herein, Base Rate means the rate of interest per annum announced, from time to time, by the Lender as its Base Rate. The Borrower acknowledges that the Base Rate is a reference rate and not necessarily the lowest rate charged by the Lender to borrowers. Interest per annum shall be calculated for the actual number of days elapsed, from time to time, over a year assumed to have 360 days. Therefore, each dollar of principal outstanding hereunder for all or any part of a day shall accrue interest equal to 1/360th of the annual interest accruing hereunder on each such dollar. Interest shall accrue on each day or part thereof that any principal is outstanding including Sundays, holidays and all days during which the Lender is not open for the conduct of business.

Interest Increase after Maturity or Acceleration. Any and all amounts not paid when due hereunder, whether after maturity, by acceleration or otherwise, shall accrue interest, payable on demand, at the greater of (i) the annual rate of eighteen percent (18%) or (ii) the annual rate equal to two percent (2%) above the Base Rate, if permitted by law, calculated as above from the date when due until so paid.

Payments. Commencing on September 1, 1996, and on the same day of each month thereafter up to and including February 1, 1997, payments of interest only shall be made in arrears on the outstanding principal amount of this Note.

Commencing on March 1, 1997, payments on this Note shall be made in fifty-four (54) consecutive monthly installments of principal and interest. The first fifty-three (53) such installments shall be equal to one-fifty-fourth of the principal amount of this Note which has been advanced, plus accrued and unpaid interest in arrears. The last installment shall comprise the then unpaid principal balance of this Note together with all accrued and

unpaid interest and any and all other fees, charges, costs and expenses due and payable to Lender hereunder.

Late Charges. If any payment due hereunder is not paid within ten (10) days of its due date, the Borrower will also pay to Lender, on demand and in addition to all other amounts payable hereunder, an amount equal to five percent (5%) of the amount of such payment. The assessment or collection of late charges is not intended and shall not be construed to permit payment of any amount payable hereunder beyond the applicable due date thereof. The time period which is allowed before the assessment of late charges is not intended and shall not be construed as a grace or cure period with respect to payment or performance of any obligation hereunder.

Prepayment. "Prepayment" shall mean any payment of the outstanding principal due hereunder, whether in whole or in part, (a) on any date in advance of the date scheduled therefor, or (b) following acceleration of the loan as a consequence of the occurrence of any Event of Default, as defined below. Any Prepayment made by the Borrower (other than a payment of the full outstanding principal balance due under the Note) must be in an amount which is an integral multiple of $10,000. Prior to the making of any Prepayment, the Borrower shall: (a) deliver five (5) days' prior written notice to the Lender apprising the Lender of the making of such Prepayment, (b) pay all accrued interest and other accrued charges and costs of Lender to the date of prepayment on the principal amount so prepaid, (c) pay a Prepayment premium equal to one percent (1%) of the amount prepaid in the event that such Prepayment is from a refinancing, and (d) if, at the time of Prepayment, the Borrower has elected the Fixed Rate Option, pay the Fixed Rate Prepayment Premium as defined in the next sentence of this paragraph. The "Fixed Rate Prepayment Premium" shall be an amount reasonably determined by the Lender for the loss, if any, including any lost profits, resulting from such prepayment. The Borrower shall pay the Prepayment premium or the Fixed Rate Prepayment Premium, whichever is applicable, upon presentation by the Lender of a statement therefor, which in either case shall be deemed true and correct, absent manifest error. In addition, in the case of the Fixed Rate Prepayment Premium, such statement shall set forth the Lender's calculation of

the same, which statement and calculation (including the method of calculation) shall be deemed true and correct, absent manifest error. Any amounts prepaid by the Borrower may not be subsequently re-borrowed from the Lender.

Application of Payments. Any payments received by the Lender on account of this Note prior to the Maturity Date or by acceleration or otherwise, shall be applied: first, to any fees, charges, costs and expenses then owed to the Lender by the Borrower in connection with this Note; second to accrued and unpaid interest on the unpaid balance of principal; and third, to the unpaid balance of principal hereof. Any payments received by the Lender on account of this Note after the Maturity Date or by acceleration or otherwise shall be applied in such manner as the Lender may determine.

Note Issued Pursuant to Loan Agreement. This Note is issued pursuant to the Loan Agreement, and the holder hereof is entitled to the benefits of the Loan Agreement, and all other agreements, instruments, guarantees and other documents executed and delivered in connection therewith and herewith (collectively referred to herein as the "Financing Instruments").

Maturity Date. The entire outstanding principal balance hereof together with all accrued and unpaid interest thereon and all fees, charges, costs and expenses due Lender hereunder shall be due and payable on July 31, 2001 (the "Maturity Date").

Security Provided in Other Writings. Payment and performance of this Note may be secured, from time to time, now or hereafter, as provided in one or more security agreements, mortgages, pledges, assignments or any other instruments, documents or agreements ("Security"), whether or not such Security specifically refers to this Note. Any and all such Security may provide, in general terms, that such Security secures obligations of the Borrower to the Lender however and whenever evidenced, created or arising. Payment and performance of this Note is hereby secured by such Security without specific reference to this Note, and, in addition, this Note is secured by any and all Security which specifically refers to or provides security for this Note.

Grant of Security in Accounts and Other Property in Possession of the Lender. To secure the payment and performance of this Note, the Borrower hereby grants to the Lender a continuing security interest in and to: (a) any and all deposits and sums at any time credited by or due from the Lender (or any of its banking or lending affiliates) to the Borrower; and (b) any or all cash, instruments, securities and other property of the Borrower, in the possession, custody or control (whether for safekeeping or otherwise) of, or in transit to or from, the Lender or any such affiliate, including such property in the possession of any third party acting on behalf of the Lender or any such affiliate, regardless of the reason for the receipt, possession, custody or control of such property or any prior release thereof, conditional or otherwise. Upon demand, maturity or acceleration of the payment of this Note, as applicable, the Lender may, at any time, sell or dispose of any or all such property and apply the proceeds thereof against the indebtedness of this Note. With respect to all such property, the Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code and other applicable laws, the choice and manner of exercise of any right or remedy being in the Lender's sole discretion. No such right or remedy shall be exclusive, and each may be exercised by the Lender concurrently or in any order or combination as the Lender may select, from time to time. The Lender shall have the right to foreclose the security interest granted herein by any available judicial procedure and to sell the same with or without judicial process; the Lender may sell or otherwise dispose of such property or any part thereof at public or private sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as the Lender may elect; and, except as to any part of such property which is perishable or which threatens to decline speedily in value, or is of the type customarily sold on a recognized market, the Lender shall give the Borrower reasonable notification of such

sale or sales, it being agreed that in all events written notice mailed to the

Borrower at least seven (7) days prior to such sale is reasonable notification. The Lender may (but shall have no obligation to) bid for and become the purchaser of any such property.

Setoff. With respect to any and all deposits and sums referred to above, upon the Maturity Date or acceleration of the payment of this Note, the Lender may, at any time, apply or setoff all or any portion of such deposits or sums against the indebtedness evidenced by this Note, regardless of any other collateral or security available to the Lender.

Payment of Costs and Attorney's Fees. The Borrower agrees, and all co-makers and guarantors also agree, jointly and severally, to pay all costs incurred by the Lender, including all attorneys' reasonable fees and out-of-pocket costs and expenses, including court costs, in connection with (i) the administration or implementation of the loan evidenced by this Note, (ii) the collection of the indebtedness evidenced by this Note, or (iii) the preservation, protection, collection or enforcement of any of the Lender's rights or remedies hereunder or under any other instrument securing or guaranteeing this Note, against the Borrower or any co-maker or guarantor, or against any collateral securing this Note or securing any other instrument, document or agreement securing or guaranteeing this Note (whether or not suit is instituted by or against the Lender).

Waivers and Consents by Borrower and Others. By making or guaranteeing this Note or by making any agreement to pay any of the indebtedness evidenced by this Note, the Borrower, and each co-maker, guarantor, and other person or entity now or hereafter liable for the payment of any of the indebtedness evidenced by this Note, respectively, agrees to waive: presentment for payment; protest; demand; notice of protest, demand, dishonor and non-payment of this Note; all other notices; all other defenses in the nature thereof, including all suretyship defenses; and any and all other demands or notices otherwise required to be given in connection with the delivery, acceptance, endorsement, performance, default or enforcement of this Note, any and all borrowings or advances hereunder, any and all guarantees or undertakings hereof, and any security taken, granted or released, from time to time, in connection herewith. The Borrower and each such co-maker, guarantor and other person or entity hereby consents, without notice: (a) to the substitution, exchange or release, from time to time, of any collateral securing this Note or any part thereof; (b) to the acceptance, from time to time, by the Lender of any additional collateral or security for this Note, or the acceptance, from time to time, of other makers, guarantors or other obligors of this Note, (c) to the modification or amendment, from time to time, of this Note and any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (d) to the granting of any extension of the time for payment of this Note or any other indulgence for the performance of the agreements, covenants and conditions contained in this Note, or any other instrument, document or agreement securing or guaranteeing this Note, at the request of any person or entity liable thereon; (e) to any and all other extensions, forbearances and indulgences whatsoever granted by the Lender with respect to this Note,

any other liability of the Borrower, or any collateral securing this Note or any other liability of the Borrower to the Lender; and any and all assignments or transfers of this Note and any part or all of the indebtedness evidenced hereby or any security therefor or guarantees thereof to any successor, assignee, participant or other party. The happening of any one or more of the foregoing events shall not alter or diminish the liability of any person or entity liable on this Note. The release by the Lender of the Borrower or any one or more co-makers or guarantors shall not release any other person obligated on account of this Note, except only for payments actually received by Lender free and clear of the rights of all other parties. No person or entity obligated on account of this Note may seek contribution from any other person or entity also obligated unless and until all liabilities, obligations, and indebtedness to the Lender of the person from whom contribution is sought have been satisfied in full.

Joint and Several Obligations; Binding Effect. This Note and the liabilities of the Borrower shall be the joint and several obligation of each of

the undersigned, if more than one, and each guarantor, co-maker, and surety, and shall be binding upon each of them and each of their respective heirs, representatives, successors and assigns, and shall inure to the benefit of the Lender and its successors, indorsees and assigns. Each reference in this Note to the Borrower, any co-maker and any guarantor refers to each such person or entity individually and also to all such persons and entities jointly. The term "Lender" shall include the Lender and each other payee hereof, or any indorsee of this Note in possession hereof, or the bearer hereof if the Note is at the time payable to the bearer.

The Lender's Rights Reserved. No delay or omission on the part of the Lender in exercising or enforcing any of the Lender's rights, powers, privileges or remedies or discretions hereunder or under any instrument or agreement which is given or may be given to secure or guaranty the indebtedness evidenced hereby, shall operate as a waiver thereof, or of any other right, power, privilege or remedy of such holder on that occasion or on any other occasion, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or any other right on any future occasion, and no waiver of a default hereunder shall operate as a waiver of any other default nor as a continuing waiver.

Default. The entire unpaid principal balance of this Note and all accrued and unpaid interest thereon and all other fees, charges, costs and expenses hereunder shall become immediately due and payable, without demand, prior to the maturity of this Note, at the sole option of the Lender, (exercisable without demand, notice or protest, which are hereby waived) regardless of any prior forbearance or indulgence by the Lender, upon the occurrence of one or more Events of Default as that term is defined in the Loan Agreement.

Commercial Purposes. The Borrower hereby represents to the Lender that the proceeds of this Note shall be used exclusively for business or commercial purposes and not for personal, family or household purposes.

Payment of Proceeds. The proceeds of any and all loans or advances pursuant to this Note may be paid to or at the direction of the Borrower.

Authority to Debit Accounts. The Borrower hereby authorizes the Lender to charge or debit any deposit account of the Borrower with the Lender to effect any payment due hereunder, all without prior notice.

Authority to Complete this Note. In the event that this Note is delivered in an incomplete form in any respect, the Borrower and each co-maker, guarantor and other person or entity liable hereon, hereby authorizes the Lender, without further notice, to complete any blank spaces and to date the Note, if undated, as of the date funds are first advanced hereunder.

Currency and Payments. All payments on this Note shall be made in lawful currency of the United States of America, in each case without deduction, setoff or counterclaim. All payments on this Note shall be made in immediately available funds. With respect to any payment on this Note which is made by check, the Lender may treat such amount as outstanding pending final collection thereof, and interest hereunder shall continue to accrue pending such final collection.

Acknowledgment of Terms and Receipt of a Copy. The Borrower has read all of the terms and conditions of this Note and has received an exact copy of this Note.

Severability of Provisions. Any determination that any provision of this Note or any application thereof is invalid, illegal, or unenforceable in any respect in any instance shall not affect the validity, legality and enforceability of such provision in any other instance, nor the validity, legality or enforceability of any other provision hereof.

Headings. The headings appearing in this Note are used for convenience only and should not be deemed to affect the interpretation of this Note.

Sealed Instrument. This Note shall take effect as a sealed instrument.

Books and Records; Copies as Evidence. The Lender's books and records concerning the Lender's loans and advances to the Borrower, the accrual of interest thereon, and the repayment of such loans, advances and interest, shall be prima facie evidence of the indebtedness owed under this Note. In any proceeding with respect to this Note, any photographic, photostatic, microfilm or similar reproduction of this Note shall be admissible in evidence as though it were the original, whether or not the original hereof is in existence and whether or not such reproduction was made in the regular course of business.

Governing Law; Jurisdiction for Proceedings. This Note is delivered to the Lender in Boston, Massachusetts and shall be governed by and construed in accordance with the

laws of the Commonwealth of Massachusetts for all purposes and in all respects. The Borrower, and each co-maker and guarantor of this Note submits to the non-exclusive jurisdiction of the courts of the Commonwealth of Massachusetts for all purposes with respect to this Note and any collateral given to secure their respective liabilities, obligations and indebtedness to the Lender, and their respective relationships with the Lender.

Legal Limitation on Interest. Notwithstanding any other provision of this Note to the contrary, in the event that interest pursuant to the provisions of this Note is finally determined by a court of competent jurisdiction to be subject to usury or other similar laws affecting the maximum allowable interest chargeable then, and only then, and only to the extent of such final determination, the maximum amount of interest payable under this Note shall be the maximum amount of interest determined by such court to be allowed by such laws.

Notices and Notice Addresses. The respective Notice Addresses of the Lender and the Borrower are those stated at the beginning of this Note, together with the following additions: (a) for the Lender, "Attention: Commercial Banking Department"; and (b) for the Borrower, "Attention: Kevin W. Quinlan, Chief Financial Officer". To the extent required or voluntarily given, all notices or demands hereunder shall be sufficient and shall be deemed to have been given if made in writing and given in accordance with the provisions for notice contained in the Loan Agreement. Any party may change its Notice Address hereunder by giving notice of such change to the other party in accordance with the provisions of this subsection.

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IN WITNESS WHEREOF, the Borrower has executed this Note, as an instrument under seal as of the date appearing on the first page of this Note.

BOSTON BIOMEDICA, INC.

/s/ Lori Rosenberg
- ----------
Witness as to Borrower

By: /s/ Kevin W. Quinlan

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

BTRL CONTRACTS AND
SERVICES, INC.

By: /s/ Kevin W. Quinlan

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

BBI - NORTH AMERICAN
CLINICAL LABORATORIES, INC.

By: /s/ Kevin W. Quinlan

Kevin W. Quinlan
Treasurer
Hereunto duly authorized

EXHIBIT 10.20

==========

PREFERRED STOCK

PURCHASE AGREEMENT

1150 SHARES OF
PREFERRED STOCK OF
BIOSEQ, INC.

Dated: as of October 7, 1996

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PREFERRED STOCK PURCHASE AGREEMENT

TABLE OF CONTENTS

<TABLE>
<CAPTION>

</TABLE>

PREFERRED STOCK PURCHASE AGREEMENT

PURCHASE AGREEMENT entered into as of the 7th day of October, 1996 by and between BioSeq, Inc. a Massachusetts corporation with its principal place of business at 25 Olympia Avenue, Unit #F, Woburn, MA 01801 (the "Company"), BioMolecular Assays, Inc., a Massachusetts corporation and principal stockholder of the Company (the "Stockholder") and Boston Biomedica, Inc. (the "Investor").

W I T N E S S E T H:

WHEREAS, the Company and the Stockholder is desirous of raising additional capital for the Company, and the Investor is interested in investing

in the Company;

WHEREAS, in order to induce the Investor to invest in the Company, the Stockholder has agreed to become a party to this Agreement with respect to the representations and warranties contained in Article 2 hereof;

WHEREAS, the Company desires to grant to the Investor and the Investor desires to acquire from the Company an exclusive, worldwide license to use the Company's Pressure Cycling Reactor Technology; and

WHEREAS, the Company and the Investor desire to establish a research and development arrangement under which the Investor will perform research and development services for the Company with respect to certain aspects of the Pressure Cycling Reactor Technology;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the parties hereto agree as follows:

ARTICLE 1. PURCHASE AND SALE OF SECURITIES

1.1 Authorization: Filing of Amended and Restated Articles of Organization. The Company has authorized the issuance and sale pursuant to the terms and conditions hereof of up to 300 shares of its Series A Convertible Preferred Stock, par value $.01 per share, 550 shares of its Series B Convertible Preferred Stock, par value $.01 per share, and 300 shares of its Series C Convertible Preferred Stock, par value $.01 per share, having the rights, restrictions, privileges and preferences as set forth in the form of the Amended and Restated Articles of Organization of the Company (the "Charter"), attached hereto as Exhibit A. Such shares of Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Series C Convertible Preferred Stock are sometimes hereinafter referred to collectively as the "Shares." The Company shall adopt and file the Charter with the Secretary of State of the Commonwealth of Massachusetts on or before the first Closing (as defined below).

1.2 Purchase and Sale of Securities. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the Company and the Stockholder

contained herein, the Investor agrees to purchase from the Company, and the Company agrees to sell to the Investor, on each date set forth below, the specified number of Shares at the price per share indicated:

(i) 300 Shares of Series A Convertible Preferred Stock on October 4, 1996, at a per share price of seven hundred ($700.00) dollars, for aggregate consideration of two hundred ten thousand ($210,000) dollars;

(ii) subject to the closing of the Investor's initial public offering, 550 Shares of Series B Convertible Preferred Stock on or before the tenth business day following such closing, at a per share price of nine hundred fifty ($950.00) dollars, for aggregate consideration of five hundred twenty two thousand five hundred ($522,500.00) dollars, provided, however, that if the Investor's public offering is not closed by December 31, 1996, neither the Company nor the Investor shall have any obligation under this subparagraph;

(iii) 300 Shares of Series C Convertible Preferred Stock on or before July 31, 1997, at a per share price of two thousand five hundred ($2,500.00) dollars, for aggregate consideration of seven hundred fifty thousand ($750,000.00) dollars, provided that the Company attains the milestones described on Schedule A attached hereto; provided, however, in the event that the Company does not attain such milestones by July 31, 1997, the Investor shall nevertheless have the right, exercisable in its sole discretion, to purchase the remaining 300 Shares until December 31, 1997 at the price set forth in this subparagraph (iii), and further provided that the Investor's right to purchase the Shares referenced in this subsection (iii) shall be applicable only if, and after, the Investor has made the full investment required by subsection (ii) above in accordance with its terms.

1.3 Closing. The first Closing and each Closing thereafter of the purchase and

sale of the Shares of Common Stock contemplated by this Agreement (hereinafter, each a "Closing") shall take place at the offices of Brown, Rudnick, Freed & Gesmer at One Financial Center, Boston, Massachusetts on October 7, 1996, or at such other time, date and place as shall be mutually agreed by the Investor and the Company. At each Closing, the Company shall deliver to the Investor certificates for the number of Shares subscribed for against payment of the purchase price therefor.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company and Stockholder hereby represent and warrant to the Investor that:

2.1. Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all required corporate power and authority to own its property, to carry on its business as presently conducted and to carry out the transactions contemplated hereby. The copies of the Charter and By-Laws of the Company, as amended to date, which have been furnished to counsel for the Investor by the Company, are correct and complete. The Company is qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the failure to be so

qualified or to be in good standing could have a material adverse effect on the Company, its business or prospects.

2.2. Subsidiaries. The Company has no investments in any other corporation or business organization.

2.3 Capitalization. Immediately prior to the first Closing, the authorized capital stock of the Company consists of 25,000 shares of Common Stock, .01 par value, and 15,000 shares of Preferred Stock, of which 300 shares have been designated Series A Convertible Preferred Stock, 550 shares have been designated Series B Convertible Preferred Stock and 300 shares have been designated Series C Convertible Preferred Stock. Immediately prior to the Closing date, there were issued and outstanding 4,712 shares of Common Stock and no shares of Preferred Stock. All such issued and outstanding shares are validly issued and outstanding, fully paid and non-assessable. Except as disclosed on Schedule B hereto, there are no outstanding warrants, options or other rights to purchase or acquire, or preemptive rights with respect to the issuance or sale of, the Company's Common Stock. There are no securities of the Company directly or indirectly convertible into or exchangeable for shares of capital stock of the Company, and there are no restrictions on the transfer of the Company's Common Stock, except as disclosed in Schedule B hereto.

2.4 Authorization of Transaction. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action of the Company and it is the valid and binding obligation of the Company, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and general principles of equity. The issuance of the Shares and the Common Stock upon conversion of the Shares pursuant to the terms of this Agreement and the Charter shall be, at the first Closing, duly and validly authorized, and no further approval or authority of the shareholders or the directors of the Company or of any governmental authority or agency will be required for the issuance and sale of the Shares and the underlying Common Stock as contemplated by this Agreement. The Shares when issued and sold to the Investor in compliance with this Agreement, and the shares of Common Stock issuable upon conversion of the Shares, when issued in accordance with the provisions of the Charter, will be duly and validly issued, fully paid and non-assessable. The rights, preferences, privileges and restrictions of the Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Series C Convertible Preferred Stock are as set forth in the Charter attached hereto as Exhibit A.

2.5 Approvals; Compliance With Laws. The Company is not in violation of its Charter or by-laws as of the date hereof. The execution, delivery and performance of this Agreement and the transactions contemplated hereby (i) do not require any approval or consent of, or filing with, any governmental agency or authority in the United States of America or otherwise which has not been

obtained and which is not in full force and effect as of the date hereof, (ii) will not conflict with or constitute a breach or violation of the respective Charters or by-laws of the Company, and (iii) will not result in a violation of or any law or regulation to which they are subject.

2.6 Financial Statements. Attached hereto as Exhibit B are the following consolidated financial statements of the Company and unconsolidated statements of such companies, audited or unaudited as indicated, all of which statements are complete and correct and fairly present the financial position of the Company on the dates of such statements and the results of their operations on the applicable basis for the periods covered thereby and have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved and prior periods (except that footnotes required in accordance with generally accepted accounting principles which are not material to the financial statements have not been included):

Balance Sheet dated September 30, 1996 (unaudited)
Income Statement for the Twelve Month Period ended December 31, 1995 (unaudited) Income Statement for the Nine Month Period ended September 30, 1996 (unaudited)

The balance sheet included in the above financial statements is sometimes referred to hereinafter as the "Base Balance Sheet."

2.7 Title to Properties. The Company has good and marketable title to all of its properties and assets, free and clear of all liens, restrictions or encumbrances. All machinery and equipment included in such properties which is necessary to the business of the Company is in good condition and repair, and all leases of real or personal property to which the Company is a party are fully effective and afford the Company peaceful and undisturbed possession of the subject matter of the lease. The Company is not in violation of any zoning, building, safety or environmental ordinance, regulation or requirement or other law or regulation applicable to the operation of owned or leased properties, and has not received any notice of violation with which it has not complied.

2.8 Payment of Taxes. The Company has filed all federal, state and local income, excise or franchise tax returns, real estate and personal property tax returns, sales and use tax returns and other tax returns required to be filed by it and has paid all taxes owing by it except taxes which have not yet accrued or otherwise become due for which adequate provision has been made in the pertinent financial statements referred to in Section 2.6 above. The provisions for taxes reflected in the above-mentioned financial statements are adequate to cover any and all tax liabilities of the Company in respect of its business, properties and operations during the periods covered by said financial statements and all prior periods. Neither the Internal Revenue Service nor any other taxing authority is now asserting or, to the knowledge of the Company, threatening to assert against the Company any deficiency or claim for additional taxes or interest thereon or penalties in connection therewith.

2.9 Absence of Undisclosed Liabilities. The Company does not have any material accrued or contingent liability arising out of any transaction or state of facts existing prior to the date hereof other than (i) as reflected or reserved against in the Base Balance Sheet or (ii) liabilities arising in the ordinary course of its business since the date of the Base Balance Sheet.

2.10 Absence of Certain Changes. Except as disclosed on Schedule B hereto, since the date of the Base Balance Sheet, there has not been:

(a) any change in the financial condition, properties, assets, liabilities, business or operations of the Company which change by itself or in conjunction with all other such changes, whether or not arising in the ordinary course of business, has had or will have a material adverse effect with respect

to the Company;

(b) any contingent liability incurred by the Company as guarantor or otherwise with respect to the obligations of others;

(c) any mortgage, encumbrance or lien placed on any of the properties of the Company which remains in existence on the date hereof or at the time of any Closing;

(d) any obligation or liability incurred by the Company other than obligations and liabilities incurred in the ordinary course of business;

(e) any purchase, sale or other disposition, or any agreement or other arrangement for the purchase, sale or other disposition, of any of the properties or assets of the Company other than in the ordinary course of business;

(f) any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the properties, assets or business of the Company on a consolidated basis;

(g) any declaration, setting aside or payment of any dividend on, or the making of any other distribution in respect of, the capital stock of the Company, or any direct or indirect redemption, purchase or other acquisition by the Company of its own capital stock;

(h) any labor dispute or claim of unfair labor practices involving the Company; any change in the compensation payable or to become payable by the Company to any of their officers, employees or agents other than normal merit increases in accordance with their usual practices, or any bonus payment or arrangement made to or with any of such officers, employees or agents;

(i) any change with respect to the management, supervisory or other key personnel of the Company;

(j) any payment or discharge of a material lien or liability of the Company which was not shown on the Base Balance Sheet or incurred in the ordinary course of business thereafter; or

(k) any obligation or liability incurred by the Company to any of its officers, directors or shareholders or any loans or advances made by the Company to any of its officers, directors or shareholders except normal compensation and expense allowances payable to officers.

2.11 Contracts and Commitments. Except as set forth on Schedule B, neither the Company nor any Subsidiary is subject to any contract, obligation or commitment which is material or which involves a potential commitment in excess of $10,000 or any employment contract, stock redemption or purchase agreement, financing agreement, license, lease, franchise, pension, profit-sharing, retirement or stock option plan. Copies of each agreement or document listed in Schedule B have been delivered to counsel for the Investor. Neither the Company nor any Subsidiary is in default under any contract, obligation or commitment. Neither the Company nor any Subsidiary is a party to or bound by any contract or arrangement which has had or will have a material adverse effect on its business or prospects. Neither the Company nor any Subsidiary has a material liability for renegotiation of government contracts or subcontracts.

2.12 Intellectual Property. Set forth on Schedule B is a true and complete list of all patents, patent applications, trademarks, service marks, trademark and service mark applications, trade names, and copyrights presently owned or held by the Company or the Stockholder, and any material license or right to any of the foregoing. To the best of the Company's knowledge, the Company owns or possesses or can obtain by payment of royalties which will not materially adversely affect the business of the Company all of the patents, trademarks, service marks, trade names, copyrights, proprietary rights, trade secrets, or rights or licenses to the foregoing, reasonably necessary to the conduct of its business as presently conducted or proposed to be conducted. To the best of the

Company's knowledge, the Company's business, as presently conducted or as proposed to be conducted, does not and will not cause the Company to infringe or violate any of the patents, trademarks, service marks, trade names, copyrights, licenses, trade secrets or other proprietary rights of any other person. To the best of the Company's knowledge, the Company has the right to use, free and clear of claims or rights of others, all trade secrets, customer lists and manufacturing processes required for or incident to their products, and none of them is using any confidential information or trade secrets of any former employer of any of their past or present employees.

2.13 Compliance with Other Instruments. The Company is not in default in the performance of any material obligation, agreement or condition contained in any bond or debenture or any other evidence of indebtedness or any indenture or loan agreement of the Company which default affords to any person the unconditional right to accelerate any material indebtedness or terminate any material right or agreement of the Company. Neither the execution and delivery of this Agreement, nor the fulfillment of the terms herein set forth, nor the consummation of the transactions contemplated hereby, will (i) conflict with or constitute a breach of, default under or violation of any agreement, indenture, mortgage, deed of trust or other material instrument or undertaking by which the Company is bound or to which it or any of its properties are subject, or (ii) result in a violation of any court decree binding upon the Company, or (iii) result in the creation or imposition of any material lien, charge or encumbrance upon any property or assets of the Company.

2.14 Litigation. Except for matters described in Schedule B, there is no litigation pending or, to the knowledge of the Company or the Stockholder, threatened against the Company, and there are no outstanding court orders, court decrees, or court stipulations to which the Company is a party which question this Agreement or affect the transactions contemplated hereby, or which

will or could result in any materially adverse change in the business, properties, operations, prospects, assets or in the condition, financial or otherwise, of Company. Neither the Company nor the Stockholder has reason to believe that any such action, suit, proceeding or investigation may be brought against the Company.

2.15 Permits and Licenses; Compliance with Law. The Company has all franchises, permits, licenses and other rights and privileges necessary to permit it to own its properties and to conduct its present business. The Company is not in violation of any law, regulation, authorization or order of any public authority relevant to the ownership of its properties or the carrying on of its present business.

2.16 Offerees; Sales of Securities. Except as disclosed on Schedule B, neither the Company nor anyone acting on its behalf has within the past six (6) months offered the Common Stock or any similar security of the Company for sale to, or solicited any offers to buy the same from, any person or organization other than the Investor. Except as disclosed on Schedule B, neither the Company nor anyone acting on its behalf has in the past sold, offered for sale or solicited offers to buy any of said securities so as to bring the offer, issuance or sale of the Shares, as contemplated by this Agreement, within the provisions of Section 5 of the Act. The Company has complied with all applicable state "blue-sky" or securities laws in connection with the issuance and sale of the Shares and its Common Stock and other securities.

2.17 Brokerage. Except as disclosed on Schedule B, there are no valid claims for brokerage commissions, finder's fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Company and the Company will indemnify and hold the Investor harmless against any liability or expense to it arising out of such a claim.

2.18 Investment Materials. The written materials prepared by the Company and furnished to the Investor prior to the date hereof describe all material aspects of the business of the Company, contains no untrue or misleading statement of a material fact or any omission to state a fact material to the business of the Company or necessary to make the statements contained therein not misleading.

The factual information contained therein is correct, the assumptions, if any, are reasonable, and the projections, if any, are, to the best knowledge of the Company and the Stockholder reasonably attainable within the periods indicated.

2.19 Disclosure. Neither this Agreement, nor any financial statement, certificate, list, exhibit, letter or other written statement pertaining to the Company or the Stockholder, made or delivered to the Investor by the Company, the Stockholder or any of their respective agents, when taken as a whole along with such other information as provided to Investor, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which they were made.

2.20 Certain Transactions. Except as disclosed on Schedule B, except with respect to reimbursable business expenses and compensation payable for services rendered, the Company is not indebted, directly or indirectly, to any of its employees, officers, directors or stockholders or

to their spouses or children, in any amount whatsoever; and none of said employees, officers, directors or, to the best of the Company's knowledge, stockholders, or any member of their immediate families, are indebted to the Company or have any direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship. No such employee, officer, director or stockholder, or any member of their immediate families, is, directly or indirectly, interested in any material contract with the Company. The Company is not guarantor or indemnitor of any indebtedness of any other person, firm or corporation.

2.21 Corporate Documents; Minute Books. Except for amendments necessary to satisfy representations and warranties or conditions contained herein (the form of which amendments has been approved by the Investor), the Charter and Bylaws of the Company are in the form previously provided to counsel to the Investor. The minute books of the Company previously provided to counsel to the Investor contain a complete summary of all meetings of directors and stockholders since the time of incorporation of the Company.

2.22 Employee Benefit Plans. The Company does not have any "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974, as amended.

2.23 Environmental and Safety Laws. To the best of its knowledge, the Company is not in violation of any applicable statute, law, or regulation relating to the environment or occupational health and safety, and to the best of its knowledge, no material expenditures are or will be required in order to comply with any such existing statute, law, or regulation.

2.24 Insurance. Except as disclosed in Schedule B, the Company has in full force and effect fire and casualty insurance policies, with extended coverage, and insurance against other hazards, risks and liabilities to persons and property to the extent and in the manner customary for companies in similar businesses similarly situated.

2.25 Labor Agreements and Actions. The Company is not aware that any officer or key employee or consultant intends to terminate his or her employment with the Company, nor does the Company have a present intention to terminate the employment of any of the foregoing. Subject to general principles related to wrongful termination of employees, the employment of each officer and employee of the Company is terminable at the will of the Company.

2.26 Registration Rights. Other than as granted by this Agreement, the Company has not granted or agreed to grant any registration rights with respect to the Company's capital stock, including piggyback registration rights, to any person or entity.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF INVESTOR

Investor hereby represents and warrants to the Company that:

3.1 Investment Intent. The Investor is purchasing or acquiring the Shares for its, own account for investment and not with a present view to, or for sale in connection with, any

distribution thereof in violation of the Act. The Investor hereby consents to the imposition of a legend substantially similar to the following on each certificate for Shares (and shares issued upon conversion of the Shares) and the Investor agrees to abide by the restrictions contained therein:

> "The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and may not be sold, transferred or assigned unless such shares are registered under the Act or such sale, transfer or assignment is exempt from the registration requirements of the Act."

3.2 Authorization. The Investor has the power and authority to enter into this Agreement and to perform all of its obligations hereunder.

3.3 Restricted Securities. The Investor understands that the Shares have not been registered under the Act by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of Investor's investment intent as expressed herein. The Investor acknowledges that the Shares, when received, must be held indefinitely unless they are subsequently registered under the Act or an exemption from such registration is available. The Investor has been advised of or is aware of the provisions of Rule 144 promulgated under the Act, which rule permits limited resale of securities purchased in a private placement subject to the satisfaction of certain conditions contained therein.

3.4 Brokerage. There are no valid claims for brokerage commissions, finder's fees or similar compensation in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of the Investor and the Investor agrees to indemnify and hold harmless the Company against any liability or expense to it arising out of such a claim to the extent that such claim arises out of actions or alleged actions of the Investor.

3.5 Due Organization. The Investor is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all required corporate power and authority to own its property, to carry on its business as presently conducted and to carry out the transactions contemplated hereby.

3.6. No Conflict. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or constitute a breach or violation of the Amended and Restated Certificate of Incorporation or By-Laws of the Investor.

ARTICLE 4. CONDITIONS OF INVESTOR'S AND COMPANY'S OBLIGATION

Conditions of Investor's Obligations.

In addition to the conditions set forth in Article 1 of this Agreement, the obligation of the Investor to purchase and pay for the Shares subscribed for by the Investor at each Closing shall be subject to the satisfaction of each of the following conditions:

4.1 Representations and Warranties. The representations and warranties of the Company and the Stockholder contained herein or in the exhibits annexed hereto or otherwise made in writing by or on their behalf in connection with the transactions contemplated hereby shall be true and correct as of the first Closing with the same effect as though made on and as of that date.

4.2 Performance; No Breach. The Company shall have performed and complied with

all of the agreements and conditions contained herein and required to be performed or complied with by the Company at or prior to each Closing and shall not be in breach of any provision of this Agreement.

4.3 Consents and Waivers. All necessary consents, waivers, approvals, amendments and other action on the part of any person necessary to have been obtained or effected in order to carry out the transactions contemplated by this Agreement shall have been duly obtained or effected and shall be in full force and effect and adequate.

4.4 Corporate Proceedings. All corporate and other proceedings to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in substance and form to the Investor and its counsel, and the Investor and its counsel shall have received all original copies or certified or other copies of documents which they may have reasonably requested.

4.5 Other Agreements. The Company shall have entered into (i) a License Agreement with BioMolecular Assays, Inc. in the form of Exhibit C hereto; and (ii) a Warrant Agreement with the Investor, in the form of Exhibit D hereto. The Company, the stockholders of the Company and the Investor shall have entered into a Stockholders' Agreement in the form of Exhibit E hereto. The Company shall grant a license to the Investor to use its Pressure Cycling Reactor Technology in the form of Exhibit F hereto.

4.6 Charter. The Charter, in a form satisfactory to the Investor, shall have been filed with the Secretary of State for the Commonwealth of Massachusetts.

4.7 Legal Action.

(a) There shall not have been instituted or threatened any material legal proceeding seeking to prohibit the consummation of the transactions contemplated by this Agreement, or to obtain damages from Investor with respect thereto.

(b) None of the parties hereto shall be prohibited by any order, writ, injunction or decree of any governmental body of competent jurisdiction from consummating the transactions contemplated by this Agreement, and no material action or proceeding shall then be pending which questions the validity of this Agreement, any of the transactions contemplated hereby or any action which has been taken by any of the parties in connection herewith or in connection with any of the transactions contemplated hereby.

4.8 No Material Adverse Change. As of each Closing pursuant to Section 1.2(ii) and 1.2(iii), the Investor shall have received a Certificate signed by the President and Treasurer of the Company certifying which, if any, of the representations and warranties contained in Article 2 hereof have become inaccurate, and there shall have been no material adverse change with respect to the business, condition (financial or otherwise) or prospects of the Company.

4.9. Officer's Certificate. The Company shall have delivered a Certificate, executed by the Clerk of the Company, dated the first Closing Date, certifying the Board of Director's and stockholders' resolutions approving this Agreement, as well as all of the Agreements referred to in Section 4.5 hereof, the issuance of the Shares, and certifying the Charter and Bylaws of the Company.

4.10 Compliance Certificate. The Investor shall have received at the first Closing a certificate signed by the President and Treasurer of the Company certifying that the conditions specified in Sections 1, and 4.1 through 4.7 have been fulfilled. At any successive Closing, the Investor shall have received a Certificate signed by the President and Treasurer of the Company certifying that the conditions specified in Sections 1 and 4.2 through 4.7 have been fulfilled.

4.11 Opinion of Counsel for Company. The Investor shall have received from Warner & Stackpole, LLP, counsel for the Company, a favorable opinion, in form and substance satisfactory to the Investor and its counsel, as to matters covered in Exhibit G hereto.

Conditions of Company's Obligations.

In addition to the conditions set forth in Article 1 of this Agreement, the obligation of the Company to issue the Shares subscribed for by the Investor at each Closing shall be subject to the satisfaction of each of the following conditions:

4.12 Representations and Warranties. The representations and warranties of the Investor contained herein or in the exhibits annexed hereto or otherwise made in writing by or on its behalf in connection with the transactions contemplated hereby shall be true and correct as of each Closing with the same effect as though made on and as of that date.

4.13 Performance; No Breach. The Investor shall have performed and complied with all of the agreements and conditions contained herein and required to be performed or complied with by it at or prior to each Closing and shall not be in breach of any provision of this Agreement.

4.14 Consents and Waivers. All necessary consents, waivers, approvals, amendments and other action on the part of the Investor necessary to have been obtained or effected in order to carry out the transactions contemplated by this Agreement shall have been duly obtained or effected and shall be in full force and effect and adequate.

4.15 Corporate Proceedings. All corporate and other proceedings to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in substance and form to the Company and its counsel, and the Company and its

counsel shall have received all original copies or certified or other copies of documents which they may have reasonably requested.

4.16 Legal Action.

(a) There shall not have been instituted or threatened any material legal proceeding seeking to prohibit the consummation of the transactions contemplated by this Agreement, or to obtain damages from the Company with respect thereto.

(b) None of the parties hereto shall be prohibited by any order, writ, injunction or decree of any governmental body of competent jurisdiction from consummating the transactions contemplated by this Agreement, and no material action or proceeding shall then be pending which questions the validity of this Agreement, any of the transactions contemplated hereby or any action which has been taken by any of the parties in connection herewith or in connection with any of the transactions contemplated hereby.

4.17 Compliance Certificate. The Company shall have received at each Closing a certificate signed by the President and Treasurer of the Investor certifying that the conditions specified in Sections 1, and 4.12 through 4.16 have been fulfilled.

ARTICLE 5. COVENANTS OF THE COMPANY

The Company agrees that, until the consummation of a Qualified Public Offering or, as to the Investor, until such earlier time as the Investor owns less than twenty-five (25%) percent of the Series A Preferred (computed on an as-if-converted basis and including the shares of Common Stock into which the Series A Preferred may have been converted):

5.1 Corporate Existence. The Company will maintain and cause any Subsidiary to maintain its corporate existence in good standing and comply with all applicable laws and regulations of the United States or of any state or states thereof or of any political subdivision thereof and of any governmental authority.

5.2 Furnishing of Financial Statements and Information. The Company will deliver to the Investor:

(a) within five days of their availability, but in any event within 45 days after the close of each calendar quarter, consolidated balance sheets of the Company and any Subsidiaries as of the end of each such quarter, together with the related statements of consolidated operations, retained earnings and changes in financial position for each such quarter, all in reasonable detail and certified by an authorized accounting officer of the Company and the President of the Company, subject to year-end adjustments;

(b) within five days of their availability, but in any event within 90 days after the end of each fiscal year, a consolidated balance sheet of the Company and any Subsidiaries, as of the end of such fiscal year, together with the related statements of consolidated operations,

retained earnings and changes in financial position for such fiscal year, prepared in accordance with generally accepted accounting principles, all in reasonable detail and duly certified by independent public accountants acceptable to the Investor, which accountants shall have given the Company an opinion, unqualified as to the scope of the audit due to any restrictions placed upon the auditors by the Company, regarding such statements;

(c) within thirty (30) days prior to the beginning of each fiscal year, an annual budget for such year detailing relevant financial information, including projected income and expense, borrowings, capital expenditures, cash flow, sources and uses of funds and working capital, with a comparison of budgeted amounts to actual amounts for the preceding year.

(d) with reasonable promptness, such other financial data related to the business, affairs and financial condition of the Company and any Subsidiaries as is available to the Company and as from time to time the Investor may reasonably request;

(e) contemporaneously with the filing or mailing thereof, copies of all material filed with the Securities and Exchange Commission or made available to any stockholders of the Company; and

(f) within 15 days after the Company learns of the commencement of any material suit, legal or equitable, or of any material administrative, arbitration or other proceeding against the Company, any of its Subsidiaries or their respective businesses, assets or properties, written notice of the nature and extent of such suit or proceeding.

5.3 Inspection. The Company will permit an agent designated by the Investor to visit and inspect at the Investor's expense any of the properties of the Company or any Subsidiaries, including their books and records (and to make extracts therefrom), and to discuss their affairs, finances, and accounts with their officers, all to such reasonable extent and at such reasonable times and intervals as the Investor may reasonably request. If the Company determines that such inspection might result in the disclosure of trade secrets or other confidential information, the Company may require such persons to sign nondisclosure agreements with respect thereto.

5.4 Meetings of Board of Directors. The Company shall cause meetings of the Board of Directors to be called not less often than once each calendar quarter, shall give notice of each such meeting to the Investor, shall permit a representative of the Investor to attend such meeting as a guest of the Board of Directors (if a designee of the Investor is not then a member of the Board of Directors), and shall provide copies of minutes of all actions taken by the Board of Directors, whether at meetings or by written consent, to the Investor.

5.5 Transactions with Affiliates. Except for transactions approved by a majority of disinterested directors, neither the Company nor any of its Subsidiaries shall enter into any transaction with any director, officer, employee, or holder of more than five (5%) percent of the outstanding shares of any class of capital stock of the Company or any of its Subsidiaries, family member of any such person, or any corporation, partnership, trust, or other entity in which any such person, or family member of any such person, is a director, officer, trustee, partner, or

holder of more than five (5%) percent of the outstanding stock thereof, except for transactions on customary terms and conditions related to such person's employment, and except that the Company may maintain its current relationship with BioMolecular Assays in substantially the same form as currently exists.

5.6 Use of Proceeds. The Company shall use the proceeds from the sale of the Shares (i) to fund pre-operational start-up expenses, (ii) to fund operating losses prior to profitable operations, (iii) for the acquisition of capital equipment and other capital items and (iv) to pay the expenses of this offering; provided that notwithstanding the foregoing, 33% of the proceeds of the first investment pursuant to Section 1.2(i) hereof, and 67% of the proceeds of the second and third investments pursuant to Sections 1.2(ii) and 1.2(iii) hereof, shall be used to fund research and development efforts aimed at demonstration of the technical feasibility of, and commercial development for, the Company's pressure cycling reactor technology.

5.7 Employee Nondisclosure and Inventions Agreement. The Company shall use its best efforts and shall cause any of its Subsidiaries to use their best efforts to enter into an Employee Nondisclosure and Inventions Agreement with all current and future officers, key employees, and other employees who will have access to confidential information about the Company or any of its Subsidiaries. Such Employee Nondisclosure and Inventions Agreement shall be in the form of Exhibit H hereto.

5.8 Changes in Outstanding Securities. The Company shall not take any action with respect to its outstanding equity securities which will result in the Investor holding equity securities of the Company equal to or greater than twenty (20%) percent of the outstanding equity securities of the Company.

5.9 Most Favored Nation Status. During the five (5) year period commencing on the date of the Closing of the Investor's purchase of Shares pursuant to Section 1.2(ii) hereof, the Company will not grant to any persons or entities acquiring shares or rights to acquire capital stock of the Company in connection with a capital-raising transaction (an "Investor Group"), rights with respect to matters which also constitute the subject matter of this Agreement (including the Stockholder Agreement, the Warrant and the terms and conditions of the Series Preferred but specifically excluding the subject matter of the License Agreement) that are more favorable than the rights granted to the Investor hereunder or thereunder, without granting to the Investor substantially similar rights; provided, however, that the foregoing covenant shall not apply to rights granted by the Company to the members of any Investor Group which invests in such transaction an amount equal to at least five (5) times the amount the Investor has then invested in the Company hereunder (including any amounts invested pursuant to that certain Warrant Agreement between the Company and the Investor of even date). The foregoing provision shall also be inapplicable to the price term of any securities (excluding antidilutiono provisions) of the Company to be purchased by any Investor Group.

5.10 Offerees; Sales of Securities. Neither the Company nor anyone acting on its behalf shall offer for sale or solicit offers to buy any of the Company's securities so as to bring such offer, issuance or sale within the provisions of Section 5 of the Act. The Company will comply

with all applicable state "blue-sky" or securities laws in connection with the issuance and sale of its securities in the future.

ARTICLE 6. REGISTRATION RIGHTS

6.1 Three Required Registrations.

(a) From and after the earliest to occur of (i) five (5) years from the date hereof and (ii) six months after the closing of the initial public offering of the Company, if on any three occasions the Investor shall notify the

Company in writing that it intends to offer or cause to be offered for public sale all or any portion of the Registrable Securities, under such circumstances as, in the opinion of Investor's counsel, would require registration thereof under the Act, then the Company will prepare and file with the Commission and use its best efforts to cause to become effective a Registration Statement under the Act relating to such Registrable Securities as may be requested by the Investor.

(b) In the event that the Investor determines for any reason not to proceed with a registration at any time before a Registration Statement has been declared effective by the Commission, and such Registration Statement, if theretofore filed with the Commission, is withdrawn with respect to the Registrable Securities covered thereby, and the Investor agrees to bear its own expenses incurred in connection therewith and to reimburse the Company for the out-of-pocket expenses incurred by it attributable to the registration of such Registrable Securities, then the Investor shall not be deemed to have exercised one of its three required registration rights pursuant to this Section.

(c) Without the written consent of the Investor, neither the Company nor any holder of securities of the Company may include securities in such registration if, in the good faith judgment of the managing underwriter of such public offering, the inclusion of such securities would interfere with the successful marketing of the Registrable Securities or would require the exclusion of any portion of the Registrable Securities proposed to be registered.

6.2 Piggyback Registration Rights.

(a) If at any time the Company shall determine to register any of its securities under the Act and in connection therewith the Company may lawfully register any of the Registrable Securities, the Company will promptly give written notice thereof to the Investor. Upon the written request of Investor given within 30 days after receipt of any such notice from the Company, the Company will, except as herein provided, cause all such Registrable Securities which the Investor has requested to be registered to be included in such Registration Statement, all to the extent requisite to permit the sale or other disposition of the Registrable Securities. Nothing herein shall prevent the Company from at any time abandoning or delaying any registration.

(b) If any registration pursuant to this Section 6.2 shall be underwritten in whole or in part, the Company may require that the Registrable Securities requested for inclusion pursuant

to this Section 6.2 be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. In the event that the Registrable Securities requested for inclusion pursuant to this Section 6.2 would constitute more than 25% of the total number of shares to be included in a proposed underwritten public offering, and if in the good faith judgment of the managing underwriter of such public offering the inclusion of all of the Registrable Securities originally covered by a request for registration would reduce the number of shares to be offered by the Company or interfere with the successful marketing of the shares of stock offered by the Company, then the number of Registrable Securities otherwise to be included in the underwritten public offering may be reduced pro rata among the Investor requesting such registration and any other selling security holder (based on the number of Registrable Securities for which registration is requested expressed as a percentage of the total number of shares being registered on behalf of selling security holders (including the Investor)); provided, however, that after any such required reduction the Registrable Securities to be included in such offering shall constitute at least 25% of the total number of shares to be included in such offering.

6.3 Registration Procedures. If and whenever the Company is required by the provisions of Sections 6.1 or 6.2 to effect the registration of Registrable Securities under the Act, the Company will:

(a) prepare and file with the Commission a Registration Statement with respect to such securities, and use its best efforts to cause such

Registration Statement to become and remain effective for such period as may be reasonably necessary to effect the sale of such securities;

(b) prepare and file with the Commission such amendments to such Registration Statement and supplements to the prospectus contained therein as may be necessary to keep such Registration Statement effective for such period as may be reasonably necessary to effect the sale of such Registrable Securities;

(c) furnish to the Investor and to the underwriters of the securities being registered such reasonable number of copies of the Registration Statement, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(d) use its best efforts to register or qualify the securities covered by such Registration Statement under the state securities or blue sky laws of such jurisdictions as Investor may reasonably request within 20 days following the original filing of such Registration Statement, except that the Company shall not for any purpose be required to execute a general consent to service of process or to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified;

(e) notify the Investor, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any prospectus forming a part of such registration statement has been filed;

(f) notify the Investor promptly of any request by the Commission for the amending or supplementing of such Registration Statement or prospectus or for additional information;

(g) prepare and file with the Commission, promptly upon the request of the Investor, any amendments or supplements to such Registration Statement or prospectus which, in the opinion of counsel for the Investor (and concurred in by counsel for the Company), is required under the Act or the rules and regulations thereunder in connection with the distribution of the Registrable Securities by the Investor;

(h) prepare and promptly file with the Commission and promptly notify the Investor of the filing of such amendment or supplement to such Registration Statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Act, any event shall have occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading;

(i) advise the Investor, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for that purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

(j) not file any amendment or supplement to such Registration Statement or prospectus to which the Investor shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Act or the rules and regulations thereunder, after having been furnished with a copy thereof at least five business days prior to the filing thereof, unless in the opinion of counsel for the Company the filing of such amendment or supplement is reasonably necessary to protect the Company from any liabilities under any applicable federal or state law and such filing will not violate applicable law; and

(k) at the request of the Investor, furnish on the effective date of the Registration Statement and, if such registration includes an underwritten public offering, at the closing provided for in the underwriting agreement: (i) an opinion, dated each such date, of the counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the Investor, covering such matters as such underwriters and the Investor may reasonably request, in which opinion such counsel shall state (without limiting the generality of the foregoing) that such Registration Statement has become effective under the Act and that (a) to the best of such counsel's knowledge no stop order suspending the effectiveness thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, (b) the Registration Statement, related prospectus and each amendment or supplement thereto appear on their face to be appropriately responsive to the requirements of the Act and the applicable rules and regulations of the Commission thereunder

applicable to the form of the Registration Statement (except that such counsel need express no opinion as to financial statements contained therein), (c) to the best of the knowledge of such counsel after investigation, neither the Registration Statement, the prospectus nor any amendment nor supplement thereto contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (d) the description in the Registration Statement or prospectus or any amendment or supplement thereto of all legal and governmental proceedings and all contracts and other legal documents or instruments filed as exhibits to the Registration Statement are accurate and fairly present the information required to be shown, and (e) such counsel does not know of any legal or governmental proceedings, pending or threatened, required to be described in the Registration Statement or prospectus or any amendment or supplement thereto which are not described as required, nor of any contracts or documents or instruments of the character required to be described in the Registration Statement or prospectus or amendment or supplement thereto or to be filed as exhibits to the Registration Statement, which are not described and filed as required; and (ii) a letter dated each such date, from the independent certified public accountants of the Company, addressed to the underwriters, if any, and to the Investor, covering such matters as such underwriters and the Investor may reasonably request, in which letter such accountants shall state (without limiting the generality of the foregoing) that they are independent certified public accountants within the meaning of the Act and that in the opinion of such accountants the financial statements and other financial data of the Company included in the Registration Statement or the prospectus or any amendment or supplement thereto comply in all material respects with the applicable accounting requirements of the Act.

6.4 Expenses.

(a) With respect to each inclusion of Registrable Securities in a Registration Statement pursuant to Section 6.1 or 6.2 hereof, all fees, costs and expenses of and incidental to such registration, inclusion and public offering (as specified in paragraph (b) below) in connection therewith shall be borne by the Company; provided, however, that the Investor shall bear its pro rata share of the underwriting discount and commissions and transfer taxes.

(b) The fees, costs and expenses of registration to be borne by the Company as provided in paragraph (a) above shall include, without limitation, all registration, filing and NASD fees, printing expenses, fees and disbursements of counsel and accountants for the Company, fees and disbursements of counsel for the underwriter or underwriters of such securities (if the Company and/or selling security holders are required to bear such fees and disbursements), all legal fees and disbursements and other expenses of complying with state securities or blue sky laws of any jurisdictions in which the securities to be offered are to be registered or qualified, and the premiums and other costs of policies of insurance against liability arising out of such public offering; the fees and disbursements of any counsel and accountants for the Investor shall be borne by the Investor.

6.5 Indemnification.

(a) The Company will indemnify and hold harmless the Investor and any underwriter (as defined in the Act) for the Investor and each person, if any, who controls the Investor or such underwriter within the meaning of the Act, from and against, and will reimburse the Investor and each such underwriter and controlling person with respect to, any and all loss, damage, liability, cost and expense to which the Investor or any such underwriter or controlling person may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue statement or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by the Investor, such underwriter or such controlling person in writing specifically for use in the preparation thereof.

(b) The Investor will indemnify and hold harmless the Company, any underwriter and any controlling person of the Company or such underwriter from and against, and will reimburse the Company, underwriter or controlling person with respect to, any and all loss, damage, liability, cost or expense to which the Company, any underwriter or any controlling person thereof may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in strict conformity with written information furnished by the Investor specifically for use in the preparation thereof.

(c) Promptly after receipt by an indemnified party pursuant to the provisions of paragraph (a) or (b) of this Section 6.5 of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of paragraph (a) or (b), promptly notify the indemnifying party of the commencement thereof; but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than hereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying

party, or if there is a conflict of interest which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to the indemnified party of its election so to assume the defense of any action, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of paragraphs (a)

or (b) hereof for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless (i) the indemnified party shall have employed counsel in accordance with the proviso of the preceding sentence, (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

6.6 Exclusive Obligation to Register. Except as provided in this Article, the Company will have no obligation to the Investor to register under the Act any Registrable Securities received by any such Investor pursuant to this Agreement.

ARTICLE 7. PARTICIPATION IN FUTURE OFFERINGS

7.1 Participation in Future Offerings. In order to afford the Investor the opportunity to maintain its percentage ownership interest in the Company, except for securities offered by the Company in a public offering which is registered under Section 5 of the Act, the Company agrees to offer to the Investor pro rata, according to its percentage ownership interest in the Company (calculated in accordance with Section 7.4 hereof), the opportunity to acquire any Common Stock or other Voting Stock or securities that bear rights to acquire, convert into or be redeemed or exchanged for shares of Common Stock or other Voting Stock (including without limitation any rights, options, warrants or convertible debt or equity instruments that provide any right to subscribe for, purchase or otherwise acquire shares of Common Stock or other Voting Stock) (any such shares being herein referred to as "New Shares") which may be offered by the Company during the period commencing after the first Closing hereunder and ending on the effective date of the Company's initial public offering pursuant to a Registration Statement under the Act. For purposes of this Section 7.1, "New Shares" does not include (i) the shares of Common Stock issuable upon conversion of the Preferred Stock purchased hereunder or upon exercise of the Warrant issued to the Investor of even date; (ii) securities issued as a result of any stock split, stock dividend or reclassification of Common Stock, distributable on a pro rata basis to all holders of Common Stock; (iii) securities issued to any officer, director or employee of or consultant to the Company pursuant to a stock option plan, employee stock purchase plan, restricted stock plan or other employee stock plan or agreement approved by the Board of Directors; or (iv) securities issued in connection with any merger or consolidation or acquisition approved by the Board of Directors and by the Investor in accordance with the Company's Charter.

7.2 Notice. The Company shall deliver written notice to the Investor of the terms and conditions of each offering, borrowing or other similar transaction pursuant to which the

Company intends to issue New Shares. Such notice shall be delivered to the Investor not later than thirty (30) days prior to the date upon which any such transaction is scheduled to be consummated. By such notice, the Company shall offer to sell to the Investor the applicable amount of securities calculated pursuant to Section 7.4.

7.3 Acceptance. The Investor may accept any such offer in whole or in part by delivering to the Company a written agreement to make such purchase, executed by that Investor, specifying the amount of the securities to be purchased by the Investor, not later than ten (10) business days following the date of receipt by the Company. The terms and conditions, price, timing of closing and other provisions of such agreement by the Investor shall be not less favorable to the Company than those of the other agreement to purchase such New Shares, except that the Investor need not pay any non-cash consideration paid by the other purchasers in the offering.

7.4 Percentage Interest. The amount of New Shares to be offered to the Investor for purchase pursuant to this Article shall, with respect to each transaction subject hereto, be calculated by multiplying (a) the aggregate number of New Shares to be offered, times (b) the percentage ownership of Common Stock of the Company held by the Investor at the time the New Shares are offered (assuming

conversion of all Preferred Stock of the Company into Common Stock and the exercise of all then outstanding options, warrants and other rights to acquire Common Stock).

7.5 No Accumulation. Each transaction or proposed issuance under this Article is a separate transaction. The failure of the Investor to exercise in whole or in part any prior offer shall not increase its rights with respect to the future transaction subject hereto and the rights of the Investor under this Article with respect to any transaction are reduced pro rata to the extent that such Investor acquires securities of the Company by participating directly in such transaction.

7.6 Termination of Rights. The rights provided to the Investor in this Article shall terminate at such time as the Common Stock of the Company becomes registered under Section 12(g) of the Exchange Act.

ARTICLE 8. RESERVED

ARTICLE 9. DEFINITIONS

For purposes of this Agreement the following terms shall have the indicated respective meanings:

"Act" means the Securities Act of 1933, as amended, or any similar Federal statute, and the rules and regulations of the Commission issued under that Act, as they each may, from time to time, be in effect.

"Base Balance Sheet" means the most recent balance sheet included in the financial statements listed in Section 2.6.

"Charter" means the Certificate of Incorporation or equivalent document as amended and restated from time to time.

"Closing" shall have the meaning provided in Section 1.3.

"Commission" means the Securities and Exchange Commission, or any other Federal agency at the time administering the securities laws of the United States.

"Common Stock" shall include any class of capital stock of the Company, now or hereafter authorized, the right of which to share in distributions either of earnings or assets of the Company is without limit as to any amount or percentage, and common stock or other securities issued in substitution or exchange for the presently authorized Common Stock in connection with a reorganization, reclassification, merger or sale of assets.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar Federal statute, and the rules and regulations of the Commission issued under the Act, as they each may, from time to time, be in effect.

"Preferred Stock" shall include any class of Preferred Stock of the Company, now or hereafter authorized, and Preferred Stock or other securities issued in substitution or exchange for the presently authorized Preferred Stock in connection with a reorganization, reclassification, merger or sale of assets.

"Qualified Public Offering" means a firm commitment underwritten public offering of shares of Common Stock of the Company pursuant to an effective registration statement in which (i) the net proceeds to the Company from such offering are at least $10 million and (ii) the price paid by the public for such shares is at least $1,300 per share (appropriately adjusted to reflect subdivisions and combinations of the Common Stock of the Company).

"Registrable Securities" means the Shares of Common Stock issuable to the Investor upon conversion of the shares of Preferred Stock issued hereunder; and any other shares of capital stock of the Company issued in respect of the Shares (because of stock splits, stock dividends, reclassifications, recapitalizations, mergers, consolidations, or similar

events), New Shares received through the Investor's exercise of its right to purchase additional capital stock under Article 7 hereof or additional shares received pursuant to Section 8.1 hereof; provided, however, that any shares previously sold by the Investor to the public pursuant to a registered public offering or Rule 144 under the Act shall cease to be Registrable Securities.

"Registration Statement" means a registration statement (other than a registration statement on Form S-8 solely with respect to employee benefit plans or any successor form or forms used for the purpose specified by such form) filed by the Company with the Commission under the Act for a public offering and sale of securities of the Company.

"Shares" means the 1150 shares of Preferred Stock of the Company which may be purchased pursuant to this Agreement.

"Subsidiary" means any corporation, association, trust or business entity of which the Company shall at any time own, directly or indirectly, at least a majority of the capital stock or other interest entitled to vote generally.

"Voting Stock" means any class of equity security entitled to vote generally in the election of directors of the Company.

ARTICLE 10. MISCELLANEOUS

10.1 Termination.

(a) At any time prior to the Closing, this Agreement may be terminated (i) by mutual consent of the parties, (ii) by either side if there has been a material misrepresentation, breach of warranty or breach of covenant by the other side in its representations, warranties and covenants set forth herein, (iii) by the Investor if the conditions stated in Article 4 have not been satisfied at or prior to the Closing.

(b) If this Agreement shall be terminated in accordance with paragraph (a), all obligations of the parties hereunder shall terminate without liability of any party to the others except as provided in Section 10.5. In the event that this Agreement is so terminated, each party will return all papers, documents, financial statements and other data furnished to it by or with respect to each other party to such other party (including any copies thereof made by the first party).

10.2 Survival of Representations and Covenants. All representations, warranties, covenants, agreements and obligations made herein or in any schedule, exhibit, notice, certificate or other document executed in connection herewith or delivered by any party to another party incident hereto shall be deemed to have been relied upon by the other party hereto and survive the execution and/or delivery thereof, and all statements contained in any such schedules, exhibit, notice, certificate or other document delivered by the Company hereunder or in connection herewith shall be deemed to constitute representations and warranties made by the Company herein.

10.3 Breach. In the event that there shall be a breach of any representation, warranty, covenant, agreement or obligation of the Company or the Stockholder after the Closing, which breach shall remain uncured for a period of thirty (30) days after notice of such breach is given by the Investor to the Company or the Stockholder, the Company shall immediately redeem the Shares at a price equal to the original purchase price therefore.

10.4 Notices. Any notice or other communication in connection with this Agreement shall be deemed to be delivered if in writing (or in the form of a telegram) addressed as provided

below and if either (a) actually delivered at said address, or (b) in the case of a letter, three business days shall have elapsed after the same shall have been deposited in the United States mails, postage prepaid and registered or certified:

If to the Company or the Stockholder, to:

BioSeq, Inc.
25 Olympia Avenue, Unit F
Woburn, Massachusetts 01801
Attention: President

with a copy to:

Kenneth S. Boger, Esquire
Warner & Stackpole, LLP
75 State Street
Boston, Massachusetts 02109

If to the Investor, to:

Boston Biomedica, Inc.
375 West Street
West Bridgewater, Massachusetts 02379
Attention: Richard T. Schumacher, President

with a copy to:

Steven R. London, Esquire
Brown, Rudnick, Freed & Gesmer
One Financial Center
Boston, Massachusetts 02111

and in any case at such other address as the addressee shall have specified by written notice. All periods of notice shall be measured from the date of delivery thereof.

10.5 Costs and Expenses. Each of the parties shall bear their own costs and expenses in connection with the purchase of the Shares and the negotiation, execution, performance and enforcement of this Agreement and any amendments, waivers or consents with respect thereto.

10.6 Confidentiality. The Investor shall keep confidential and not disclose or divulge any confidential, proprietary or secret information which they may obtain from the Company in connection with the transactions contemplated herein, or pursuant to inspection rights granted hereunder unless such information is or hereafter becomes public information.

10.7 Assignment; Rights of Successors and Assigns. This Agreement shall be assignable by the Investor to its affiliates and any successor of the Investor. All representations, warranties, covenants, agreements and obligations hereunder made by or on behalf of the parties hereto shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto, whether so expressed or not.

10.8 Research and Development Services. The Investor shall perform research and development services for the Company related to the Company's Pressure Cycling Reactor Technology in areas to be agreed upon by the Investor and the Company. The cost for such research and development services shall be $125 per hour for senior staff(officers and department directors and managers), $75 per hour for middle-management support staff (supervisors and medical technicians), and $50 per hour for all other personnel. Subject to the closing of the Investor's second investment pursuant to Section 1.2(ii) of this Agreement, in the event that the Company requests of the Investor less than $100,000 of research services (based on the above rates), the Company shall nevertheless pay the Investor a minimum of $100,000 for any research and development services performed by the Investor between the date of the Investor's investment pursuant

to Section 1.2(ii) hereof and September 30, 1997. Subject to the closing of the Investor's third investment pursuant to Section 1.2(iii) of this Agreement, in the event that the Company requests of the Investor less than $150,000 of research services (based on the above rates), the Company shall nevertheless pay the Investor a minimum of $150,000 for research and development services performed by the Investor after the date of such third closing until December 31, 1998. The scope and nature of each research and development project performed by the Investor for the Company shall be jointly designed, developed and agreed upon by the Investor and the Company.

10.9 Entire Agreement. This Agreement (including all exhibits or schedules appended to this Agreement and all documents delivered pursuant to or referred to in this Agreement, all of which are hereby incorporated herein by reference) constitutes the entire agreement between the parties, and all promises, representations, understandings, warranties and agreements with reference to the subject matter hereof and inducements to the making of this Agreement relied upon by any party hereto, have been expressed herein or in the documents incorporated herein by reference.

10.10 Amendments and Waivers. Changes in or additions to this Agreement may be made or compliance with any term, covenant, agreement, condition or provision set forth herein or therein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively), upon written consent of the Company and the Investor; provided however, that no waiver or consent on any one instance shall be deemed to be or be construed as a further or continuing waiver of any such term or condition unless it expressly so provides.

10.11 Governing Law; Severability This Agreement shall be deemed a contract made under the laws of the Commonwealth of Massachusetts and, together with the rights and obligations of the parties hereunder, shall be construed under and governed by the laws of such Commonwealth. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

10.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed in original but all of which together shall constitute one and the same instrument.

10.13 Effect of Table of Contents and Headings. Any table of contents, title of an article or section heading herein contained is for convenience or reference only and shall not affect the meaning of construction of any of the provisions hereof.

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the parties hereto or their duly authorized representatives effective as of the date first above written.

[SIGNATURE PAGE FOLLOWS]

Corporate Seal BioSeq, Inc.

ATTEST: By: _____
James A. Laugharn, President

- ----------
Clerk

Corporate Seal BioMolecular Assays, Inc. (only with respect to Article 2 hereof)

ATTEST:

By: _____
Clerk James A. Laugharn, President

Corporate Seal INVESTOR:

ATTEST: Boston Biomedica, Inc.

_____ By: _____
Clerk Richard T. Schumacher, President

LIST OF SCHEDULES AND EXHIBITS

Schedule A - Description of Milestones

Schedule B - Disclosure Schedule

Exhibit A - Amended and Restated Articles of Organization

Exhibit B - Financial Statements

Exhibit C - License Agreement between BioSeq, Inc. and BioMolecular Assays, Inc.

Exhibit D - Warrant Agreement

Exhibit E - Stockholders' Agreement

Exhibit F - License Agreement between BioSeq, Inc. and the Investor

Exhibit G - Legal Opinion of Company Counsel

Exhibit H - Employee Nondisclosure and Developments Agreement

SCHEDULE A
TO
PREFERRED STOCK PURCHASE AGREEMENT
DATED OCTOBER 7, 1996

Description of Milestones
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1. Conclusive demonstration of the ability to achieve and maintain enzymatic synchrony.

2. Conclusive demonstration of the ability to control the extent of digestions in order to allow the routine generation of groups of deletions of variable or constant length.

3. Conclusive demonstration of the ability to immobilize the DNA substrate at the 5" end, under pressure, and using available solid-phase technologies.

SCHEDULE B
to
Preferred Stock Purchase Agreement between
BioSeq, Inc. and Boston Biomedica, Inc.
October 7, 1996

The following references are to sections of the Purchase Agreement between BioSeq, Inc. and Boston Biomedica, Inc. dated 4 October, 1996.

SECTION 2.3, CAPITALIZATION

The following options to purchase shares of Common Stock of the Company are currently outstanding:

Name of Option Holder	Option to Purchase (Number of Shares)
Donald R. Johnson, Ph.D.	10 shares of Common Stock
Henry Paulus, Ph.D.	7.5 shares of Common Stock
Carson H. Powers	10 shares of Common Stock
Irwin Gruverman	50 shares of Common Stock (agreement)
BioMolecular Assays, Inc.	217 shares of Common Stock (convertible loan arrangement)

The Company has reserved 1,086 shares of its Common Stock, $.01 par value, for issuance pursuant to the exercise of options that may be granted to employees of the Company pursuant to plans or agreements approved by a majority of the Board of Directors.

SECTION 2.10, ABSENCE OF CERTAIN CHANGES

The Company entered into a Stock Purchase Agreement dated August 21, 1996 between the Company and G&G Diagnostics Limited Partnership II, a Delaware limited partnership, pursuant to which G&G purchased 100 shares of Common Stock of the Company for an aggregate purchase price $50,000.

SECTION 2.11, CONTRACTS AND COMMITMENTS

The Company has entered into the following contracts and commitments:

1. Letter Agreement dated September 14, 1995 granting options to purchase up to 7.5 shares of Common Stock of the Company to Henry Paulus, Ph.D.

2. Letter Agreement dated September 24, 1995 granting options to purchase up to 10 shares of Common Stock of the Company to Carson H. Powers.

3. Letter Agreement dated October 2, 1995 granting options to purchase up to 10 shares of Common Stock of the Company to Donald R. Johnson, Ph.D.

4. Letter Agreement dated August 20, 1996 from Irwin Gruverman, P.E. regarding his consulting services in consideration of 50 shares of Common Stock of the Company.

5. Stock Purchase Agreement dated August 21, 1996 between the Company and G&G Diagnostics Limited Partnership II, a Delaware limited partnership, pursuant to which G&G purchased 100 shares of common stock of the Company for an aggregate purchase price of $50,000.

6. Agreement between BioMolecular Assays, Inc. and the Company dated as of September, 1996 regarding provision of services.

SECTION 2.12, INTELLECTUAL PROPERTY

1. Technology Transfer and Patent Assignment Agreement dated as of even date herewith between BioMolecular Assays, Inc. and the Company, pursuant to which BioMolecular Assays, Inc. has assigned certain technology rights, trademark rights and the following patent applications to the Company on the terms set forth therein:

   a. type US application
      title "Controlling Enzymatic Activity"
      date March 7, 1995

   b. type US CIP application
      title "Controlling Enzymatic Activity"
      date June 7, 1995

   c. type PCT and US CIP application
      title "Pressure Cycling Reactor"
      date March 7, 1996

   d. type US application
      title "Pressure Controlled Binding Application"
      date July 3, 1996

   e. type US application
      title "Pressure Controlled Separation and Purification Process"
      date scheduled to file by September 1996

2. Application of BioMolecular Assays, Inc. for Service Mark Registration Based on Intent to Use for the mark "BIOSEQ" dated May 3, 1996 in international class 42 for Research, Development and Consulting Services in the field of Pharmaceuticals, Diagnostics and Molecular Biology, which BMA has agreed to assign to BioSeq as referenced in item 1. above.

SECTION 2.16, OFFEREES; SALES OF SECURITIES

Within the past six months the Company issued shares of Common Stock to the following shareholders:

NAME OF HOLDER	NUMBER OF SHARES OF COMMON STOCK
BioMolecular Assays, Inc.	1,196
Dreier, Gustav H.	205
G&G Diagnostics Limited Partnership II	100
Green, David J.	285
Laugharn, Jr., James A.	333
Litt, Gerald	100
Powers, Carson II.	100
Rudd, Edwin A.	146
Smith, James H.	25
TOTAL	2,490

SECTION 2.20, CERTAIN TRANSACTIONS

BioMolecular Assays, Inc. and the Company have an agreement pursuant to which Bimolecular Assays, Inc. provides services to the Company pursuant to a payment schedule as set forth therein.

$32,500 of convertible debt was issued in March 1996 to BioMolecular Assays, Inc. which is convertible into 217 shares of common stock of the Company at BioMolecular Assays' option.

SECTION 2.24, INSURANCE

The Company plans to carry general liability insurance and special equipment insurance but does not have such insurance policies in place as of the date hereof.

EXHIBIT 10.21

NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR STATE SECURITIES LAWS. NO SALE, TRANSFER OR OTHER DISPOSITION OF THIS WARRANT OR SAID SHARES MAY BE EFFECTED WITHOUT AN EXEMPTION FROM REGISTRATION UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS.

Warrant No. 1 STOCK PURCHASE WARRANT No. of Shares 1150

To Subscribe for and Purchase Common Stock of
BIOSEQ, INC.

THIS CERTIFIES THAT, for value received, Boston Biomedica, Inc. or registered assigns, is entitled to subscribe for and purchase from BioSeq, Inc., a corporation incorporated under the laws of Massachusetts (hereinafter called the "Company"), up to 1150 fully paid and non-assessable shares of the Company's Common Stock, no par value per share (the "Common Stock"), during each period set forth below, the specified number of shares of Common Stock at the price per share indicated, subject, however, to the provisions and upon the terms and conditions hereinafter set forth. This Warrant is being issued pursuant to that certain Preferred Stock Purchase Agreement between the Company and Boston Biomedica, Inc. ("Boston Biomedica") dated as of October 7, 1996 (the "Purchase Agreement").

(i) 300 Shares, during the five-year period commencing on October 7, 1996, at a per share price of seven hundred seventy ($770.00) dollars, for aggregate consideration of two hundred thirty-one thousand ($231,000) dollars;

(ii) 550 Shares, during the five-year period commencing on the closing of Boston Biomedica's investment in the Company pursuant to Section 1.2(ii) of the Purchase Agreement, at a per share price of one thousand forty-five ($1,045.00) dollars, for aggregate consideration of five hundred seventy-four thousand seven hundred fifty ($574,750.00) dollars;

(iii) 300 Shares, during the five year-period commencing on the closing of Boston Biomedica's investment in the Company pursuant to Section 1.2(iii)of the Purchase Agreement, at a per share price of two thousand seven hundred fifty ($2,750.00) dollars, for aggregate consideration of eight hundred twenty-five thousand ($825,000.00) dollars.

1. Exercise of Warrant. The rights represented by this Warrant may be exercised by the holder hereof, in whole or in part (but not as to a fractional share), by the surrender of this Warrant (properly endorsed if required) at the office of any duly appointed transfer agent for the Common Stock or at the office of the Company at 25 Olympia Avenue, Unit F, Woburn, Massachusetts 01801, and upon payment to the Company, or for the account of the Company, by

cash or by certified check or bank draft, of the Warrant Purchase Price for such shares. The Company agrees that the shares so purchased shall be and be deemed to be issued to the holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid. Certificates for the shares so purchased shall be delivered to the holder hereof within a reasonable time, not exceeding 10 days, after the rights represented by this Warrant shall have been so exercised, and, unless this Warrant has expired, a new Warrant representing the number of shares, if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the holder hereof within such time. The purchase rights represented hereby shall not be exercisable to the extent that the exercise thereof would cause Boston Biomedica's percentage interest in the equity of the Company to equal or exceed twenty (20%) percent.

2. Shares to be Issued; Reservation of Shares. The Company covenants and agrees that all shares which may be issued upon the exercise of the rights represented

by this Warrant will, upon issuance, be validly authorized, duly issued and outstanding, fully paid and non-assessable, and free from all taxes, liens and charges with respect to the issue thereof. The Company further covenants and warrants that it will from time to time take all action required to assure that the par value per share of the Common Stock is at all times equal to or less than the effective Warrant Purchase Price. The Company further covenants and agrees that, during the period within which the rights represented by this Warrant may be exercised, the Company will at times have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of the rights represented by this Warrant and will at its expense expeditiously upon each such reservation of shares procure the listing thereof (subject to issuance or notice of issuance) on all stock exchanges, if any, on which the Common Stock may then be listed.

3. Adjustment of Warrant Purchase Price. The Warrant Purchase Price in effect from time to time shall be subject to adjustment as follows:

(a) Adjustment of Warrant Purchase Price Upon Issuance of Common Stock. Except as provided in subparagraph (b), if and whenever the Company shall issue or sell or is, in accordance with subparagraphs (a)(1) through (a)(6), deemed to have issued or sold any shares of Common Stock for a consideration per share less than the Warrant Purchase Price in effect immediately prior to the time of such issuance or sale, then, forthwith upon such issuance or sale, the Warrant Purchase Price shall be reduced to an amount equal to the quotient obtained by dividing:

(i) an amount equal to the sum of

(x) the number of shares of all Common Stock outstanding or deemed in accordance with subparagraphs (a)(1) through (a)(6) hereof to be issued and outstanding immediately prior to such issuance or sale (with each share of Common Stock issuable hereunder being deemed for such purpose to be issued and outstanding) multiplied by the Warrant Purchase Price in effect immediately prior to the time of such issuance or sale, plus

(y) the aggregate consideration received by the Company for such issuance or sale,

by

(ii) the total number of shares of Common Stock outstanding or deemed in accordance with subparagraphs (a)(1) through (a)(6) hereof to be issued and outstanding immediately after such issuance or sale (with each share of Common Stock issuable hereunder being deemed for such purpose to be issued and outstanding).

For purposes of this subparagraph (a), the following subparagraphs (a)(1) to (a)(6) shall also be applicable:

(a)(1) Issuance of Rights or Options. In case at any time the Company shall in any manner grant (whether directly or by assumption in a merger or otherwise) any warrants or other rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or security convertible into or exchangeable for Common Stock (such warrants, rights or options being called "Options" and such convertible or exchangeable stock or securities being called "Convertible Securities") whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Options or upon the conversion or exchange of such Convertible Securities (determined by dividing (i) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of all such Options, plus, in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the issuance or sale of such Convertible Securities and upon the conversion or exchange thereof, by (ii) the total maximum number of shares of Common Stock issuable upon the exercise of

such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options) shall be less than the Warrant Purchase Price in effect immediately prior to the time of the granting of such Options, then the shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of such Convertible Securities issuable upon the exercise of such Options shall be deemed to have been issued for such price per share as of the date of granting of such Options or the issuance of such Convertible Securities and thereafter shall be deemed to be outstanding. Except as otherwise provided in subparagraph (a)(3), no adjustment of the Warrant Purchase Price shall be made upon the actual issuance of such Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities.

(a)(2) Issuance of Convertible Securities. In case the Company shall in any manner issue (whether directly or by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (i) the total amount received or receivable by the Company as consideration for the issuance or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the

Company upon the conversion or exchange thereof, by (ii) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Warrant Purchase Price in effect immediately prior to the time of such issuance or sale, then the shares of Common Stock issuable upon conversion or exchange of such Convertible Securities shall be deemed to have been issued for such price per share as of the date of the issuance or sale of such Convertible Securities and thereafter shall be deemed to be outstanding. Except as otherwise provided in subparagraph (a)(3), no further adjustment of the Warrant Purchase Price shall be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities. If any such issuance or sale of such Convertible Securities is made upon exercise of any options to purchase any such Convertible Securities for which adjustments of the Warrant Purchase Price have been or are to be made pursuant to other provisions of this subparagraph (a), no further adjustment of the Warrant Purchase Price shall be made by reason of such issuance or sale.

(a)(3) Change in Option Price or Conversion Rate. Upon the happening of any of the following events, namely, if the purchase price provided for in any Option referred to in subparagraph (a)(1), the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in subparagraph (a)(1) or (a)(2), or the rate at which Convertible Securities referred to in subparagraph (a)(1) or (a)(2) are convertible into or exchangeable for Common Stock shall change at any time (including, but not limited to, changes under or by reason of provisions designed to protect against dilution), the Warrant Purchase Price in effect at the time of such event shall forthwith be readjusted to the Warrant Purchase Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment the Warrant Purchase Price then in effect hereunder is thereby reduced; and on the expiration of any such Options without exercise of any thereof or the termination of any such right to convert or exchange such Convertible Securities without conversion or exchange of any thereof, the Warrant Purchase Price then in effect hereunder shall forthwith be increased to the Warrant Purchase Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities never been issued.

(a)(4) Consideration for Stock. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor, without deduction therefrom of any expenses

incurred or any underwriting commissions or concessions paid or allowed by the Company in connection therewith. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors of the Company, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Company in connection therewith. In case any Options shall be issued in connection with the issuance and sale of other securities of the Company, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been

issued for such consideration as determined in good faith by the Board of Directors of the Company.

(a)(5) Record Date. In case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (a) to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or (b) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issuance or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(a)(6) Treasury Shares. The disposition of any shares owned or held by or for the account of the Company shall be considered an issuance or sale of Common Stock for the purposes of this subparagraph (a).

(b) Certain Issuances of Common Stock Excepted. Anything herein to the contrary notwithstanding, the Company shall not be required to make any adjustment of the Warrant Purchase Price upon issuance of

(i) Common Stock upon the exercise of this Warrant;

(ii) options to purchase Common Stock of the Company granted to employees of the Company, and shares issued upon the exercise thereof, pursuant to plans or agreements approved by a majority of the Board of Directors; provided that this subparagraph (b)(ii) shall not apply to the grant of any options if, upon such grant, the shares issuable upon exercise of those options, when added to the shares issuable upon exercise of then outstanding options falling within this subparagraph (b)(ii) and shares previously issued upon exercise of any such options (all such shares being hereinafter referred to as the "Option Shares") shall exceed 15% of the total number of shares of Common Stock then outstanding (including as outstanding for purposes of this calculation (i) all shares of Common Stock into which this Warrant or any other then outstanding convertible securities of the Company may be converted and (ii) all of the Option Shares.

(c) Subdivision or Combination of Common Stock. In case the Company shall at any time subdivide (by any stock split, stock dividend or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Warrant Purchase Price in effect immediately prior to such subdivision shall be proportionately reduced, and, conversely, in case the outstanding shares of Common Stock shall be combined into a smaller number of shares, the Warrant Purchase Price in effect immediately prior to such combination shall be proportionately increased.

(d) Reorganization or Reclassification. If any capital reorganization or reclassification of the capital stock of the Company shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities or assets with respect to or in

exchange for Common Stock, then, as a condition of such reorganization or reclassification, lawful and adequate provisions shall be made whereby the holder of this Warrant shall thereupon have the right to receive, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore receivable upon the exercise of this Warrant, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock receivable upon such exercise had such reorganization or reclassification not taken place, and in any such case appropriate provision shall be made with respect to the rights and interests of such holder to the end that the provisions hereof (including without limitation provisions for adjustments of the Warrant Purchase Price) shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of such rights.

(e) Notice of Adjustment. In case any adjustment of the Warrant Purchase Price is required hereunder, the Company shall give written notice thereof, by first class mail, postage prepaid or by telex or facsimile, addressed to the holder of this Warrant at the address of such holder as shown on the books of the Company, which notice shall state the Warrant Purchase Price resulting from such adjustment, setting forth in reasonable detail the calculation upon which such adjustment is based.

(f) Other Notices. In case at any time:

(1) the Company shall declare any dividend upon its Common Stock payable in cash or stock or make any other distribution to the holders of its Common Stock;

(2) the Company shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class, or other rights;

(3) there shall be any capital reorganization or reclassification of the capital stock of the Company, or a consolidation or merger of the Company with or into, or a sale of all or substantially all its assets to, another entity or entities; or

(4) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in any one or more of said cases, the Company shall give, by first class mail, postage prepaid, or by telex or facsimile, addressed to the holder of this Warrant at the address of such holder as shown on the books of the Company, (i) at least 10 days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up and (ii) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up, at least 20 days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause shall also specify (a) in the case of any such dividend, distribution or subscription rights, the date on

which the holders of Common Stock shall be entitled thereto and (b) the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up, as the case may be.

(g) Stock to be Reserved. The Company will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issuance upon the exercise of this Warrant as herein provided, such number of shares of Common Stock as shall then be issuable upon the exercise of this Warrant. The Company covenants that all shares of Common Stock which shall

be so issued shall be duly and validly issued and fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof, and, without limiting the generality of the foregoing, the Company covenants that it will from time to time take all such action as may be requisite to ensure that the par value per share of the Common Stock is at all times equal to or less than the Warrant Purchase Price in effect at the time. The Company will take all such action as may be necessary to ensure that all such shares of Common Stock may be so issued without violation of any applicable law or regulation, or of any requirement of any national securities exchange upon which the Common Stock may be listed or any national securities association which may provide quotations of the sale prices of the Common Stock.

4. Common Stock. As used herein the term "Common Stock" shall mean and include the Company's Common Stock authorized on the date of the original issue of the Warrants and shall also include any capital stock of any class of the Company thereafter authorized which shall not be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Company; provided that the shares which may be purchased pursuant to this Warrant shall include only shares of the class of Common Stock, no par value referred to at the beginning of this agreement and designated in the Company's original issue of Warrants or, in the case of any reorganization, reclassification, consolidation, merger or sale of assets of the character referred to in subparagraph 3(d) hereof, the stock, securities or assets provided for in such subparagraph.

5. Transfer. Subject to the provisions of the Agreement, this Warrant and all rights hereunder are transferable, in whole or in part, at the offices referred to in paragraph 1 hereof by the holder hereof in person or by duly authorized attorney, upon surrender of this Warrant properly endorsed. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that this Warrant, when endorsed in blank, shall be deemed negotiable and that when this Warrant is so endorsed, the holder hereof may be treated by the Company and all other persons dealing with this Warrant as the absolute owner hereof for any purposes and as the person entitled to exercise the rights represented by this Warrant or to the transfer hereof on the books of the Company, any notice to the contrary notwithstanding; but until each transfer on such books, the Company may treat the registered holder hereof as the owner hereof for all purposes.

6. Exchange. This Warrant is exchangeable, upon its surrender at the offices referred to in paragraph 1, for new Warrants of like tenor representing in the aggregate the right to subscribe for and purchase the number of shares which may be subscribed for and purchased hereunder, each of such new Warrants to represent the right to subscribe for and purchase such number of shares as shall be designated by the holder hereof at the time of such surrender. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon delivery of a bond of indemnity satisfactory to the Company, or, in the case of any such mutilation, upon surrender or cancellation of this Warrant, the Company will issue to the holder hereof a new warrant of like tenor, in lieu of this Warrant, representing the right to subscribe for and purchase the number of shares which may be subscribed for and purchased hereunder.

7. Registration Rights. The definition of "Registrable Securities" contained in the Purchase Agreement shall include the shares of Common Stock or other securities issued hereunder and such shares shall have the same registration rights as are accorded to the Registrable Securities under the Purchase Agreement.

8. Governing Law. This Warrant shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, BioSeq, Inc. has caused this Warrant to be signed by its duly authorized officers under its corporate seal, and this Warrant to be dated.

BioSeq, Inc.

By: /s/ James Laugharn

James Laugharn, Jr., President

Attest:

/s/ Justine Laugharn
- ----------
[Clerk]

EXHIBIT A

NOTICE OF EXERCISE

To: BioSeq, Inc.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of BioSeq, Inc. pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full.

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name or names as are specified below.

Number of Shares _____

3. In the event of partial exercise, please re-issue an appropriate Warrant exercisable into the remaining shares.

_____
(Name)

_____
(Address)

_____
(Signature)

_____
(Date)

EXHIBIT 10.22

STOCKHOLDERS' AGREEMENT

STOCKHOLDERS' AGREEMENT, made as of October 7, 1996 (the "Agreement") by and among Bioseq, Inc., a Massachusetts corporation with a principal office at 25 Olympia Avenue, Unit F, Woburn, Massachusetts 01801 (the "Company"), all of the shareholders of the Company identified on Exhibit A hereto (the "Existing Stockholders"), Boston Biomedica, Inc., a Massachusetts corporation with a principal office at 375 West Street, West Bridgewater, Massachusetts 02379 (the "Preferred Holder") and those additional holders of Preferred Stock and Common Stock of the Company (the "Additional Holders") who may be added as parties hereto from time to time in accordance with the terms of this Agreement. The Existing Stockholders, the Preferred Holder and the Additional Holders are hereinafter collectively referred to as "Holders."

WHEREAS, as of the date hereof the Preferred Holder has purchased an aggregate of 300 shares of Series A Convertible Preferred Stock, $.01 par value per share of the Company (the "Series A Preferred"), which is convertible into common stock, $.01 par value per share of the Company ("Common Stock") in accordance with the terms of the Company's Articles of Organization (the "Charter"), pursuant to the terms of a Preferred Stock Purchase Agreement of even date herewith (the "Purchase Agreement"); and

WHEREAS, the Preferred Holder is obligated and has an option to purchase additional shares of the Series A Preferred, Series B Convertible Preferred Stock, $.01 par value per share of the Company (the "Series B Preferred") and Series C Convertible Preferred Stock, $.01 par value per share of the Company (the "Series C Preferred," together, the Series A Preferred, the Series B Preferred and the Series C Preferred are referred to herein as the "Preferred Stock") pursuant to the terms of the Purchase Agreement and a certain Warrant Agreement referenced therein; and

WHEREAS, the purchase and sale of the Preferred Stock as aforesaid has been undertaken by the Company and the Preferred Holder in reliance on the agreements of the parties hereto as hereinafter set forth; and

WHEREAS, the Company and the Holders wish to confirm their agreements by entering into this Stockholders' Agreement, and each considers the provisions contained herein to be in his, her or its best interest and in the best interests of the Company;

NOW, THEREFORE, In consideration of the foregoing and the agreements set forth below, the parties hereto agree as follows:

SECTION 1. BOARD OF DIRECTORS.

In all elections of Directors of the Company held during the term of this Agreement (whether at a meeting or by written consent in lieu of a meeting), each of the Holders unconditionally agrees to vote all shares of the Company's Common Stock, Preferred Stock and any other equity securities of the Company or securities of the Company having equity features,

now owned or hereafter acquired or controlled by the Holder, whether by purchase, conversion of other securities, exercise of rights, warrants or options, stock dividends or otherwise (collectively, the "Stock"), and otherwise to use his or its respective best efforts to cause and maintain the election to the Board of Directors of one nominee designated by the Preferred Holder.

The obligation of the Holders to vote their stock in favor of the designee of the Preferred Holder shall terminate at such time as (a) the Preferred Holder owns less than 25% of the Preferred Stock (calculated on an as-if-converted basis, and including any shares of Common Stock into which the Preferred Stock may have been converted) issued to it under the Purchase Agreement, or (b) the Preferred Holder does not purchase the shares of Series B Preferred referenced in Section 1.2 (ii) of the Stock Purchase Agreement in accordance with the terms thereof.

SECTION 2. RIGHT OF FIRST REFUSAL ON DISPOSITIONS BY HOLDERS.

(a) No Holder shall sell, assign or otherwise transfer or agree to sell, assign or otherwise transfer any shares of Stock held or beneficially owned by such Holder to any third party (the "Proposed Transferee") other than a Permitted Transferee as defined below, unless in each such case the Holder (an "Offering Holder") shall have first offered to sell those shares (the "Offered Shares"), in accordance with this Section 2, to all other Holders (collectively, the "Offeree Holders"), on terms and conditions, including price, not less favorable to the Offeree Holders than those on which the Offering Holder proposes to sell such Offered Shares to the Proposed Transferee. Any sale, assignment or other transfer contrary to the provisions of this Agreement shall be void, and shall not be recorded on the Company's stock transfer records. In the event of any attempt to make such a transfer, the Company shall continue to treat the purported transferor as the owner of the Stock purported to be transferred for all purposes, including without limitation, voting and dividend rights.

(b) The Offering Holder shall give notice to the Company and to the Offeree Holders in writing of the Offering Holder's intention to sell the Offered Shares (the "Notification"), specifying the number of shares of Stock proposed to be transferred and the price and terms of the proposed transfer (the "Terms"), and offering to sell the Offered Shares to the Offeree Holders on the Terms specified.

(c) Each Offeree Holder shall have the absolute right (subject to the last sentence of this subsection (c)), by delivery of written notice to the Company, the Offering Holder and each other Offeree Holder (as hereinafter provided) to purchase that number of Offered Shares as shall be equal to the number of Offered Shares multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock (including on an as-if-converted or as-if-exercised basis any securities of the Company which are convertible into or exercisable for Common Stock of the Company) then owned by such Offeree Holder and the denominator of which shall be the aggregate number of shares of Common Stock outstanding (including as outstanding any shares of Common Stock issuable upon conversion or exercise of any outstanding securities of the Company). The amount of Offered Shares that each Offeree Holder is entitled to purchase under this Section 2(c) shall be referred to as its "Pro Rata Fraction." Notwithstanding the foregoing,

no Offeree Holder shall have the right to purchase any of the Offered Shares unless all of the Offered Shares are subscribed for by the Offeree Holders under this Section 2.

(d) The Offeree Holders shall have a right to oversubscription such that if any Offeree Holder declines to purchase its Pro Rata Fraction, the other Offeree Holders shall, among them, have the right to purchase the balance of the Offered Shares not so purchased. Such right of oversubscription may be exercised by an Offeree Holder by accepting the offer of the Offered Shares as to more than its Pro Rata Fraction. If, as a result thereof, such oversubscriptions exceed the total number of Offered Shares available in respect of such oversubscription privilege, the oversubscribing Offeree Holders shall be reduced with respect to their oversubscriptions on a pro rata basis in accordance with their respective Pro Rata Fractions or as they may otherwise agree among themselves.

(e) The notice to be provided by an Offeree Holder under Section 2(c) hereof shall state the number of Offered Shares the Offeree Holder desires to purchase. The notice shall be delivered in person or mailed to the Offering Holder, the Company, and each other Offeree Holder within 10 days of the date of the Notification. Such notice shall, when taken in conjunction with the Notification, be deemed to constitute a valid, legally binding and enforceable agreement for the sale and purchase of such Offered Shares (subject to the aforesaid limitations as to an Offeree Holder's right to purchase more than its Pro Rata Fraction and to the condition that all of the Offered Shares be fully subscribed for by the Offeree Holders). Sales of the Offered Shares to be sold to purchasing Offeree Holders pursuant to this Section 2 shall be made at the offices of the Company on the 45th day following the date of the Notification (or if such 45th day is not a business day, then on the next succeeding business day). Such sales shall be effected by the Offering Holder's delivery to each purchasing Offeree Holder of a certificate or certificates evidencing the Offered Shares to be purchased by it, duly endorsed for transfer to such

purchasing Offeree Holder, against payment to the Offering Holder of the purchase price therefor by such purchasing Offeree Holder.

(f) If the Offeree Holders do not subscribe to purchase all of the Offered Shares, the Offering Holder shall not be required to sell any of the Offered Shares to the Offeree Holders hereunder; and in such event all (but not less than all) of the Offered Shares may be sold by the Offering Holder to the Proposed Transferee at any time within 90 days after the date the Notification was made, subject to the provisions of Section 2 and Section 3 hereof. Any such sale shall be to the Proposed Transferee, at not less than the price and upon other terms and conditions, if any, not more favorable to the Proposed Transferee than the Terms specified in the Notification. If the Offered Shares are not sold within the 90 day period, they shall again be subject to the requirements of a prior offer pursuant to this Section 2. Subject to the provisions of Section 3 hereof, if Offered Shares are sold pursuant to this Section 2 to any purchaser who is not a party to this Agreement, the Offered Shares so sold shall be subject to the restrictions imposed by this Section 2 with respect to any subsequent sales.

(g) Notwithstanding any other provisions of this Section 2, each Holder shall be entitled to transfer, without compliance with this Section 2, shares of Stock held by it:

(i) to the trustees of a trust revocable by such Holder alone, the beneficiaries of which consist solely of the Holder and transferees enumerated in subsection (iv) below;

(ii) in the case of a Holder who is an individual, to his guardian or conservator;

(iii) in the case of a deceased Holder, to his executors or administrators or to trustees under his will;

(iv) in the case of a Holder who is an individual, or his guardian, conservator or trustee under an inter vivos trust, or his executors, administrators or trustees under his will, to the Holder's spouse, to any of his children or their issue (or to custodians for the benefit of minor children or issue) or to the Holder's parents or siblings;

(v) to its partners or other equity owners or to a liquidating trust or similar entity established for the purpose of holding its assets prior to distribution to its partners or other equity owners;

(vi) to any entity which is controlled by or under common control with such Holder; or

(vii) in the case of any Holder who is or becomes an employee of the Company, to the Company in accordance with written agreements entered into in connection with the original issuance of Stock to such Holder (or the grant of a right to acquire such Stock) giving the Company a right of first refusal or a right to repurchase such Stock;

Each such transferee is referred to herein as a "Permitted Transferee." All such Permitted Transferees (other than the Company pursuant to clause (vii) above) shall remain subject to the terms of this Agreement and shall be deemed to be "Holders" for purposes hereof.

SECTION 3. RIGHT TO PARTICIPATE IN SALES.

Upon compliance by an Offering Holder with the provisions of Section 2(a) through 2(c) hereby and prior to any transfer under Section 2(e) hereof, the Offering Holder shall provide each Offeree with written notice (the "Transfer Notice") of, and the opportunity to participate in, such transfer upon the same terms as set forth in the original Notification under Section 2(b). Any Offeree which elects to participate in such transfer shall notify the Offering Holder not later than fifteen days after receipt of the Transfer Notice, specifying the number of shares of Stock which such Offeree desires to transfer. The Offering Holder will not transfer any shares of Stock pursuant to Section 2(e) in such transaction unless the transferee thereof at the same time

purchases from each Offeree Holder who elects to participate in the transfer as aforesaid at least the lesser of (a) the number of shares of Stock set forth in such Offeree Holder's notice to the Offering Holder or (b) that number of shares computed by multiplying the total number of shares of Stock to which the proposed transfer relates by a fraction, the numerator of which is the aggregate number of shares of Stock owned by such Offeree Holder and the denominator of which is the aggregate number of shares of Stock outstanding. Notwithstanding the foregoing, at

all times during the term of this agreement Boston Biomedica, Inc. shall be permitted, should it elect to do so in accordance with the notice provisions of this Section 3, to sell a number of shares of stock pursuant to this Section 3 which is not less than the largest number of shares being sold pursuant hereto by any of BioMolecular Assays, Inc., James A. Laugharn and David J. Green, and the number of shares being sold by all such parties shall be reduced on a pro rata basis to accommodate the foregoing entitlement.

SECTION 4. MISCELLANEOUS.

Section 4.1. Specific Performance; Other Rights. The Company and the Holders recognize that the rights of the parties under this Agreement are unique, and accordingly the Holders shall, in addition to such other remedies as may be available to any of them at law or in equity, have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by law. Without limiting the generality of the foregoing, if any transfer of shares of Stock of a Holder is made or attempted to be made in contravention of the provisions of this Agreement, the other Holders shall have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by law. Except as provided herein, this Agreement is not intended to limit or abridge any rights of the parties which may exist apart from this Agreement.

Section 4.2. Stock Legend. Each certificate for shares of Stock subject to this Agreement shall have endorsed, stamped or written thereon a legend which shall read substantially as follows:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AND OTHER PROVISIONS OF A CERTAIN STOCKHOLDERS' AGREEMENT DATED AS OF OCTOBER 7, 1996 (COPIES OF WHICH ARE AVAILABLE AT THE OFFICES OF THE COMPANY FOR EXAMINATION)."

Section 4.3. Termination. This Agreement shall terminate on the earliest to occur of (a) the closing of the sale of shares of Common Stock of the Company in a Qualified Public Offering, as defined in the Purchase Agreement (and shall not apply to any Stock being sold as part of such offering) and (b) such time as none of the Preferred Stock is outstanding.

Section 4.4. Notices, Etc. All notices and other communications hereunder shall be in writing and shall be deemed to have been given when delivered or sent by overnight courier or mailed by certified mail, postage prepaid, addressed (a) if to the Company, to the Chief Executive Officer at the address first set forth above, with a copy to Warner & Stackpole LLP, 75 State Street, Boston, Massachusetts 02109, Attn: Kenneth S. Boger, Esquire; (b) if to any Holder, to the address set below its name on Exhibit A hereto; and (c) if to any other person who becomes subject to the terms of this Agreement, to his address as the same may appear in the records of the Company, and to the Company. Each of the parties may change his, her or its notice address as referenced above by notice to each of the other parties delivered as aforesaid.

Section 4.5. Entire Agreement. The parties hereto agree that this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between them as to such subject matter.

Section 4.6. Waivers and Further Agreements. Any waiver of any terms or

conditions of this Agreement shall not be effective unless given in a writing signed by the party against whom such waiver is sought to be enforced, nor shall it operate as a waiver of any other breach of such terms or conditions or any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof. No such waiver, unless it by its own terms explicitly provides to the contrary, shall be construed to effect a continuing waiver of the provision being waived, and no such waiver in any instance shall constitute a waiver in any other instance or for any other purpose or impair the right of the party against whom such waiver is claimed in all other instances or for all other purposes to require full compliance with such provision.

Section 4.7. Further Assurances. Each of the parties hereto agrees to execute all such further instruments and documents and to take all such further action as the other party may reasonably require in order to effectuate the terms and purposes of this Agreement.

Section 4.8. Amendments. This Agreement may not be amended, nor shall any waiver be effected except by an instrument in writing executed by the holders of a majority of the Stock, which vote shall include the holders of a majority of the Preferred Stock (on an as-if-converted basis, and including shares of Common Stock into which any Preferred Stock may have been converted) then owned or controlled by a Holder hereunder.

Section 4.9. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, legal representatives, successors and permitted assigns.

Section 4.10. Severability. If any provision of this Agreement shall be held or deemed to be invalid, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflict of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question, invalid, inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy, but this Agreement shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative or unenforceable provision had never been contained herein, and such provision shall be reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case.

Section 4.11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute

one and the same instrument, and in pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such counterparts.

Section 4.12. Additional Parties. The Company may issue additional shares of Preferred Stock to persons or entities not initially parties to this Agreement (the Additional Holders) under the terms of the Purchase Agreement. Each Additional Holder shall execute a counterpart of this Agreement, and upon such execution this agreement, including Exhibit A hereto which shall be modified accordingly and distributed to each Holder hereunder, shall be deemed to have been amended to add such additional Holder as a party hereto with all rights and obligations of the other Holders hereunder.

Section 4.13. Section Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

Section 4.14. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts.

THIS SPACE LEFT INTENTIONALLY BLANK.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal as of the date first above written.

THE COMPANY: BIOSEQ, INC.

By: /s/ J. Laugharn

Name: James Laugharn
Title: President and CEO

THE PREFERRED HOLDER: BOSTON BIOMEDICA, INC.

By: /s/ Richard T. Schumacher

Name: Richard T. Schumacher
Title: President and CEO

THE EXISTING HOLDERS: BIOMOLECULAR ASSAYS, INC.

By: /s/ J. Laugharn

Name: James Laugharn
Title: President and CEO

/s/ David J. Green

David J. Green

/s/ James A. Laugharn, Jr.

James A. Laugharn, Jr.

_____
Edwin A. Rudd

_____
Gustav H. Dreier

_____
James H. Smith

_____
Carson H. Powers

_____
Gerald J. Litt

_____
G&G Diagnostics Limited Partnership II

EXHIBIT A

<TABLE>
<CAPTION>

Names & Addresses	Number and Type of Shares: Common Stock	Series A Preferred	Other
<S>	<C>	<C>	<C>
THE EXISTING STOCKHOLDERS:			
BioMolecular Assays, Inc. 25 Olympia Avenue, Unit F Woburn, MA 01801			
David J. Green 51 Amberwood Drive Winchester, MA 01890			
James A. Laugharn, Jr. 6 Chesterford Road Winchester, MA 01890			
Edwin A. Rudd 52 Brookdale Road Salem, NH 03079			
Gustav H. Dreier 189 Moxley Street Jefferson, NY 12093			
James H. Smith 138 Chace Hill Road Sterling, MA 01545			
G&G Diagnostics Limited Partnership II 30 Ossipee Road Newton, MA 02164	100		
Carson H. Powers P.O. Box 77 Georgetown, CT 06829			
Gerald J. Litt 16 Cove Island Road Centerville, MA 02632			

</TABLE>

EXHIBIT 10.23

LICENSE AGREEMENT

THIS AGREEMENT is made and entered into as of October 7, 1996 by and between BioMolecular Assays, Inc. ("BMA"), a Massachusetts corporation with principal offices at 25 Olympia Avenue, Woburn, Massachusetts 01801-6307 (as to certain provisions hereof) and BioSeq, Inc. ("BioSeq"), a Massachusetts corporation with principal offices at 25 Olympia Avenue, Unit #F, Woburn, Massachusetts 01801-6307; and Boston Biomedica, Inc. a Massachusetts corporation with principal offices at 375 West Street, West Bridgewater, Massachusetts 02379 ("BBI").

WHEREAS, BMA is the owner of all right, title and interest in and to the BMA Patents (as defined below) and the Technology (as defined below) related thereto;

WHEREAS, BioSeq has obtained from BMA an exclusive, worldwide right and license under the BMA Patents and the Technology, in accordance with the terms of a certain License Agreement dated October 7, 1996 (the "BMA License");

WHEREAS, pursuant to the BMA License BioSeq has developed a prototype instrument (the "Instrument") to be used for nucleic acid (DNA and RNA) sequencing and analysis (the "Field");

WHEREAS, BBI wishes to obtain an exclusive, worldwide right and license as provided herein, under the BMA Patents and Technology, to operate a fee-for-service laboratory using the Instrument and associated "pressure cycling reactor" technology within the Field; and BioSeq is willing to grant BBI such a license in accordance with the terms of this Agreement, and BMA is willing to join in and confirm the validity of such license;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

1. Definitions.

1.1. "Affiliate" shall mean, at any time, any person or legal entity then directly or indirectly controlled by, controlling or under common control with the party with respect to which this term is associated.

1.2. "BMA Patents" shall mean those patents and patent applications identified on schedule 1.2 hereto, and any and all divisions, continuations, continuations-in-part, extensions, substitutions, reissues, re-examinations or additions of or to any of the foregoing, and any patents which issue from any of the foregoing applications, and any foreign counterparts of the foregoing currently or in the future filed or issued and not specifically listed

on Schedule 1.2 hereto, and any other patents, patent applications and the like of BMA that are necessary or appropriate to make, use, sell, offer for sale or otherwise practice the Technology.

1.3. "Field" shall mean nucleic acid (DNA and RNA) sequencing and analysis.

1.4. "Instrument" means a device using the BMA Patents and Technology to perform nucleic acid (DNA and RNA) sequencing and analysis.

1.5. "Net Revenues" shall mean the amounts billed or invoiced (or if not invoiced or billed, the amounts received) by BBI for Services within the Field using the BMA Patents or Technology, less (a) the amounts of actual trade and cash discounts and rebates given with

respect to services that were not already credited at the time of invoice, (b) actual credited allowances on account of refunds or price adjustments with respect to Services that were not already credited at the time of invoice, (c) sales taxes, excise taxes, import/export duties and rebates (including rebates to third party payers) actually paid with respect to Services, and (d) other reasonable and customary allowances actually credited to customers, provided that if BBI provides any such Service to any party other than to an independent third party in a bona fide arm's length transaction, Net Revenues shall be based upon the resale to an independent third party in an arm's length transaction by the entity to which such Service was sold by BBI or, if there is no such resale, Net Revenues shall be calculated as above on the fair market price in the relevant country of sale or transfer. If a transaction involves goods or services other than Services, then Net Revenues shall be the product of (a) the overall amount charged by BBI with respect to the transaction and (b) a fraction which shall reflect the fair market value of the Services as a component of the transaction relative to the overall amount charged by BBI with respect to the transaction.

1.6. "Services" shall mean providing laboratory services as an independent reference laboratory to third persons, using the BMA Patents and Technology within the Field. "Services" shall include all work in connection with preparation of samples for analysis by an Instrument, and analysis of the information and data produced as a result of the analysis by an Instrument. An "independent reference laboratory" is a commercial laboratory unaffiliated, and dealing on an arms-length basis, with its customers, which provides high volume testing of samples received from customers and which reports on results of that testing.

1.7. "Technology" shall mean all know-how, proprietary information or special knowledge of BMA and BioSeq related to Instruments and Services and involving nucleic acid sequencing and analysis, as it may be modified or improved during the term hereof.

1.8. "Valid Claim" shall mean a claim of an issued an unexpired patent within the BMA Patents which would be infringed by the provisions of Services and which shall not have been withdrawn, canceled, disclaimed or held invalid by a court of competent jurisdiction in an unappealed or unappealable decision.

2. License and Rights

2.1. License. BMA and BioSeq each (as its rights may appear) hereby grants to BBI an exclusive, worldwide right and license under the BMA Patents and the Technology (the "License) to use the Instrument, BMA Patents and Technology to provide Services to third parties worldwide. BBI shall have no right to sublicense any of the foregoing rights. The foregoing license shall become effective upon the earlier of (a) payment in full by BBI of the amount referenced in Section 1.2(iii) of a certain Preferred Stock Purchase Agreement between the parties of even date, and (b) December 31, 1997.

2.2. Equipment. BioSeq shall furnish one or (at BioSeq's sole discretion) more Instruments to BBI, at no cost to BBI, at a mutually agreeable site for the purpose of pre-commercial evaluation and testing of the Instrument and its performance. During the period in which the License remains exclusive (and otherwise subject to the provisions of Section 8.2 below), BioSeq will supply Instruments and associated equipment in such quantities as may be requested by BBI to support its provision of Services, upon such reasonable and customary terms of supply as

may be agreed between the parties and at a price equal to BioSeq's fully-allocated cost of production of the items supplied. After the License becomes non-exclusive, BioSeq will supply equipment to BBI upon such reasonable and customary terms as may be agreed between the parties and at prices no less favorable to BBI than those at which BioSeq regularly sells such equipment to other commercial, non-governmental Instrument purchasers. BioSeq shall notify BBI of any improvements it makes to the Instruments and offer BBI the opportunity to have its Instruments upgraded or replaced to include these improvements at BBI's expense.

2.3. Supplies.During the period in which the License remains exclusive, BBI shall have the right to purchase reagents and related supplies from BioSeq,

as reasonably required to run the laboratory and meet the demand for Services, at a price equal to BioSeq's cost plus 35%. Thereafter BBI may continue to purchase such reagents and supplies at prices no less favorable to BBI than those at which BioSeq regularly sells such reagents or supplies to other commercial, non-governmental Instrument purchasers.

2.4 Improvements. BBI shall keep BioSeq fully advised of any improvements by BBI or its Affiliates during the term of this Agreement relating to the Technology, whether patentable or not ("BBI Improvements"). At the request of BioSeq, BBI shall grant to BioSeq a non-exclusive royalty-free license to any such BBI Improvements, with a right to sublicense.

3. Payments

3.1. Royalty. During the term of the License BBI shall pay to BioSeq a royalty, at the rate stated below, on BBI's Net Revenues derived from Services. If Services are performed in whole or in part in, and are requested by a client or customer whose principal place of business is located in, any country or countries in which there is no Valid Claim under a BMA Patent, then the royalty rate otherwise applicable to Net Revenues from those Services shall be reduced by fifty percent (50%) with respect to Services provided more than three years from the first commercial sale of Services hereunder by BBI. Subject to any reduction pursuant to the foregoing sentence, for so long as the License is exclusive (see Section 8.2 below) the royalty rate shall be 5% of Net Revenues during the three year period commencing at the earlier of (a) the first commercial sale of Services by BBI, or (b) the end of the one year period following commencement of the License term, and shall increase to 8% during the next two years and to 10% during each year thereafter; provided that if the License becomes nonexclusive the royalty for all Net Revenues relating to Services provided after that date shall be reduced to zero and BBI shall be deemed to hold a fully paid license hereunder from that date forward. Royalties shall be payable thirty days following the last day of March, June, September and December of each calendar year on account of Net Revenues during the quarter ended on such last day.

3.2. Reports. BBI shall provide a royalty report to BioSeq within thirty days after the end of each quarterly period referenced in that last sentence of Section 3.1 hereof, covering all Net Revenues and royalties earned during that period and showing all other facts necessary to the calculation of amounts due. All royalty payments shall also be accompanied by a royalty report. All payments to BioSeq shall be in United States dollars. Royalty payments based on Net Revenues in currencies other than United States dollars shall be converted to United States

dollars according to the average official rate of exchange for that currency as published in The Wall Street Journal on the first and last days of the calendar quarter in which that royalty accrued (or, if not published on that day, the first and last publication days for The Wall Street Journal during that quarter).

3.3. Books and Records and Audit. BBI shall maintain full, complete and accurate books and records covering all transactions relating to this Agreement, including information necessary to permit calculation and verification of amounts due under Section 3.1 hereof. BioSeq shall at any time within one (1) year of any payment be entitled to audit the books and records of BBI pertaining to its payment obligations hereunder, for the sole purpose of confirming the accuracy of the amounts stated to be due on the royalty reports submitted to BioSeq under Section 3.1 hereof. Any such audit shall be performed during normal business hours at BioSeq's expense by a firm of independent public accountants acceptable to both BBI and BioSeq. The independent agent shall report only such information as would properly be included in such a report. If such audit reveals an underpayment of five percent (5%) or greater of the amount that should have been paid to BioSeq for the period audited, then BBI shall bear the expense of the audit. In the event of any underpayment, BBI shall promptly remit to BioSeq all amounts due, with interest on late payments payable at the rate of ten percent (10%) per year compounded annually.

4. Patents. BioSeq shall keep BBI fully informed of all developments in regard to the preparation, filing, prosecuting, and maintenance of the BMA Patents and shall, to the extent practicable, provide BBI, for comment, with pre-filing copies of any materials relating to BMA Patents filed with any patent office worldwide. BioSeq shall reimburse BMA for its reasonable external (out-of-pocket) costs arising out of actions occurring after the date of this Agreement in connection with the preparation, filing, prosecution and maintenance of BMA Patents.

5. Representations and Warranties of BMA and BioSeq.

5.1. Representations and Warranties of BMA. BMA represents and warrants that it is the owner of the entire right, title and interest to the BMA Patents, and that BioSeq is its exclusive licensee of the BMA Patents and Technology for all markets, products, and applications.

5.2. Representations and Warranties of BioSeq. BioSeq represents and warrants that it has the right and authority to enter into this Agreement and to grant the License granted hereunder, and that this Agreement and the

License do not and will not conflict with the terms of any other agreement to which BioSeq is a party or by which it is bound.

5.3. Disclaimers. Except as otherwise expressly set forth in this Agreement, BMA and BioSeq and their directors, officers, employees, and agents make no representations and extend no warranties of any kind, either express or implied.

6. Representations, Warranties and Acknowledges of BBI.

6.1. Representations and Warranties. BBI represents and warrants that it has the right and authority to enter into this Agreement and that this Agreement and the exercise of the License do not and will not conflict with the terms of any agreement to which BBI is a party or by which it is bound.

6.2. Disclaimers. Except as otherwise expressly set forth in this Agreement, BBI, its directors, officers, employees and agents make no representations and extend no warranties of any kind, either express or implied.

7. Indemnification

7.1 Indemnification by BMA. BMA shall indemnify, defend and hold BBI, its directors, officers, employees and affiliates, harmless from and against all claims, proceedings, demands and liabilities of any kind whatsoever (including reasonable attorneys' fees and costs and other expenses of litigation) resulting from the material breach of BMA of any of its representations, warranties or covenants contained in this Agreement.

7.2 Indemnification by BioSeq. BioSeq shall indemnify, defend and hold BBI, its directors, officers, employees and affiliates, harmless from and against all claims, proceedings, demands and liabilities of any kind whatsoever (including reasonable attorneys' fees and costs and other expenses of litigation) resulting from the material breach by BioSeq of any of its representations, warranties, acknowledgments or covenants contained in this Agreement.

7.3. Indemnification by BBI. BBI shall indemnify, defend and hold BioSeq, its directors, officers, employees and affiliates harmless from and against all claims, proceedings, demands and liabilities of any kind whatsoever (including reasonable attorneys' fees and costs and other expenses of litigation) resulting from the material breach by BBI of any of its

representations, warranties, acknowledgments or covenants contained in this Agreement.

7.4 Infringement.

(a) Third Party Infringement. Each party shall notify the other promptly of any possible infringements, unauthorized possession, knowledge or use of the intellectual property embodied in any of the BMA Patents by others of which such party becomes aware, and shall promptly furnish the other party with full details of such infringements, unauthorized possession, knowledge or use. BioSeq shall have the first right, but not the obligation, at its expense, to bring any action on account of any such infringements, unauthorized possessions, knowledge or use, and BBI shall cooperate with BioSeq, as BioSeq may reasonably request, in connection with any such action. If, within sixty (60) days after receipt by BioSeq of a written request from BBI that it bring such action BioSeq does not do so, BBI shall have the right, at its expense and in its own name or in the name of BioSeq, if required by law, to do so on its own behalf and on behalf of BioSeq, and BioSeq shall cooperate with BBI, as BBI may reasonably request, in connection with such action. No such legal action may be settled by one party without the other's prior written consent, which consent shall not be unreasonably withheld. Damages recovered in any such actions which are determined to relate to lost sales by BBI, after reimbursement to each party of its expenses in prosecuting such actions, shall be treated as proceeds of Net Revenues hereunder and

paid to each party accordingly.

(b) Third Party Actions. To BioSeq's knowledge, the exercise of the rights granted herein will not result in the infringement of valid patents of third parties. Nevertheless, each party will promptly notify the other in the event any relevant third party patents come to its notice. Neither party gives any warranty regarding the infringement of third party rights by practice of the license granted hereunder, and gives no indemnity against costs, damages, expenses or other losses arising out of proceedings brought against the other party or any other person by any third party. In the event either party is sued for infringement of any rights of any third party in the exercise of its rights hereunder, the other party shall extend to it, at no charge, good faith assistance and support in defending such action, and may participate in the conduct of the suit at its own expense, but, shall be under no obligation in respect thereof.

8. Term and Termination.

8.1. Term. The term of this Agreement shall extend until the last Valid Claim to expire under the BMA Patents, except as provided in Section 8.2 below.

8.2 License Term. The term of the License set forth in Section 2 above, as distinguished from the term of this Agreement, shall commence upon the earlier of (a) BBI's payment pursuant to Section 1.2(iii) of the Preferred Stock Purchase Agreement between the parties of even date, and (b) December 31, 1997, and shall continue on an exclusive basis until the first commercial sale of an Instrument by BioSeq to a third party pursuant to a bona fide intention of BioSeq to conduct a business involving the manufacture, sale and servicing of Instruments in the ordinary course of a business, upon which occurrence the License shall become non-exclusive and, upon full payment of any royalties due in respect of sales of Services prior to that date, fully paid and royalty free.

8.3. Termination by BioSeq. In additional to all other remedies BioSeq may have, BioSeq may terminate this Agreement and the License granted in this Agreement in the event that BBI defaults on any payment to BioSeq and such default continues unremedied for a period of thirty (30) days after BBI receives written notice of default from BioSeq; or BBI fails to perform any of its materials obligations, warranties, duties or responsibilities hereunder, and such failure continues unremedied for a period of thirty (30) days after written notice thereof to BBI by BioSeq.

8.4. Termination by BBI. If the claims under the BMA Patents covering a Service are determined to be invalid or unenforceable in the United States by any court or tribunal of competent jurisdiction (including a determination in the U.S. Patent and Trademark Office that it not subject to appeal within that Office), and the determination becomes final in that it is not further reviewable through exhaustion of all permissible application for rehearing or review, or through the expiration of the time permitted for such applications, BBI may terminate this Agreement at will and shall have no further royalty obligation. In addition to all other remedies BBI may have, BBI may terminate this Agreement and the License granted in this Agreement tin the event that BMA or BioSeq fails to perform any of its materials obligations, warranties, duties or responsibilities hereunder, and such failure continues unremedied for a period of thirty (3) days after written notice thereof by BBI.

8.5. BMA Confirmation and Extension. BMA has joined in the grant of License rights to BBI under Section 2 above. Accordingly, in the event the BMA License terminates at a time this License Agreement is in effect, such termination shall not affect the validity or efficacy of BBI's rights to the BMA Patents, Technology or Instruments, or other rights and privileges granted BBI hereunder; and in such event, if so requested by BBI, BMA shall enter into a separate and direct license agreement extending directly to

BBI, without any involvement of BioSeq, all rights, licenses, benefits and privileges granted to BBI hereunder.

9. Miscellaneous

9.1. Governing Law; Jurisdiction. This Agreement shall be governed and construed in accordance with the internal laws of the Commonwealth of Massachusetts. The parties hereto agree to submit to personal jurisdiction in the Commonwealth of Massachusetts and to accept and agree to venue in that State.

9.2. Waiver. No provision of the Agreement may be waived except in writing by both parties hereto. No failure or delay by either party hereto in exercising any right or remedy hereunder or under applicable law will operate as a waiver thereof, or a waiver of a particular right or waiver of any right or remedy on any subsequent occasion.

9.3. Severability. It is the intention of the parties to comply with all applicable laws domestic or foreign in connection with the performance of their respective obligations hereunder. In the event that any provision of this Agreement, or any party hereof, is found invalid or unenforceable, the remainder of this Agreement will be binding on the parties hereto, and will be construed as if the invalid or unenforceable provision or part thereof had been deleted, and the Agreement shall be deemed modified to the extent necessary to render the surviving provisions enforceable to the fullest extent permitted by law.

9.4. Assignment. BioSeq and BBI may each, without the prior consent of the other, assign this Agreement to any of their respective Affiliates and, with the prior written consent of the other, which shall not be unreasonably withheld, to any entity which shall assume all of the assigning party's obligations hereunder. Any purported assignment is violation of the preceding sentence shall be void. The identity of a prospective assignee as an organization or entity involved in the Field shall not be a basis for a reasonable objection to any assignment otherwise permitted hereunder. Any permitted assignee shall assume all obligations of its assignor under this Agreement. No assignment shall relieve either party of responsibility for the performance of any accrued obligation which such party than has hereunder.

9.5. Counterparts. This Agreement may be executed in duplicate both of which shall be deemed to be originals, and both of which shall constitute one and the same Agreement.

9.6. Notice. All communications between the parties with respect to any of the provisions of this Agreement will be sent to the addresses set out below, or to other addresses as notified by the parties for the purpose of this clause, by prepaid, registered or

certified air mail which shall be deemed received by the other party on the seventh business day following deposit in the mails, or by cable, telex, facsimile transmission, or other electronic means of communication (which shall be deemed received when transmitted), with confirmation by letter given by the close of business on the next following business day:

if to BMA, at

BioMolecular Assays, Inc.
25 Olympia Avenue, Unit #F
Woburn, Massachusetts 01801-63070
Attention: David J. Green, Chairman

if to BioSeq, at

BioSeq, Inc.
25 Olympia Avenue, Unit #F
Woburn, Massachusetts 01801-63070
Attention: James A. Laugharn, Jr.
President and Chief Executive Officer

with a copy to:

Warner & Stackpole LLP
75 State Street
Boston, Massachusetts 02109
Attention: Kenneth S. Boger, Esquire

if to BBI, at

Boston Biomedica, Inc.
375 West Street
West Bridgewater, Massachusetts 02379
Attention: Richard T. Schumacher
President and Chief Executive Officer

with a copy to:

Brown, Rudnick, Freed & Gesmer, P.C.
One Financial Center
Boston, Massachusetts 02111
Attention: Howard G. Zaharoff, Esquire

9.7. Authority. The undersigned represent that they are each duly authorized to sign this Agreement on behalf of the party for whom they purport to act. Each party represents that no provision of this Agreement will violate the provisions of any other agreement that such party may have with any other person or legal entity. Each party has relied on that representation in entering into this Agreement

9.8. Entire Agreement. This Agreement, including the Schedules appended hereto, contains the entire understanding of the parties relating to the matters referred to herein, and supersedes and mergers all prior proposals, understanding and all other agreements, oral and written, between the parties relating to the subject of this Agreement

9.9. Binding on Successors. The license granted hereunder shall inure to the benefit of and be binding upon BMA, BioSeq and BBI, respectively, and their respective successors and assigns.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

BIOSEQ, INC.

By: /s/ J. Laugharn

Title: President & CEO

BOSTON BIOMEDICA, INC.

By: /s/ Richard T. Schumacher

Richard T. Schumacher

Title: President & CEO

President and CEO

As to its specific obligations hereunder only:

BIOMOLECULAR ASSAYS, INC.

By: /s/ J. Laugharn

Title: President & CEO

Schedule 1.2
To License Agreement
BioSeq, Inc. to Boston Biomedica, Inc.

- ---

BMA Patents and Pending Applications

1. type US application
title "Controlling Enzymatic Activity"
date March 7, 1995

2. type US CIP application
title "Controlling Enzymatic Activity"
date June 7, 1995

3. type PCT and US CIP application
title "Pressure Cycling Reactor"
date March 7, 1996

4. type US application
title "Pressure Controlled Separation and Purification Process"
date scheduled to file by September 1996

EXHIBIT 11

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
<S>	<C>	<C>	<C>	<C>	<C>
WEIGHTED AVERAGE SHARES OUTSTANDING:					
Average common stock outstanding	2,402,534	2,551,946	2,569,641	2,562,399	2,625,241
Net effect of dilutive common stock equivalents -- based on treasury stock method using average market price	--	--	548,542	--	623,044
Issuance of "cheap stock"	35,191	35,191	33,297	35,191	4,358
Weighted average common and common equivalent shares outstanding	2,437,725	2,587,137	3,151,477	2,597,590	3,252,643
ADJUSTED NET INCOME:					
Income before extraordinary item	92,586	96,528	102,990	(36,156)	82,869
Extraordinary item -- gain on elimination of debt, net of income taxes	49,736	--	--	--	--
Net income	142,322	96,528	102,990	(36,156)	82,869
Add: net reduction of interest on debt, less 40% taxes based on adjusted treasury stock method	--	--	27,258	--	20,894
Adjusted net income for earnings per share calculation	142,322	96,528	130,248	(36,156)	103,763
Income (loss) per share	0.06	0.04	0.04	(0.01)	0.03

	1993	1994	1995	1995	1996
SUPPLEMENTARY EARNINGS PER SHARE DATA: (1)					
Weighted average common and common equivalent shares outstanding			3,151,477		3,252,643
Additional shares to retire debt			448,530		448,530
Pro forma shares outstanding			3,600,007		3,701,173
Adjusted net income for earnings per share calculation			130,248		103,763
Add: interest expense, net of tax benefit			201,539		101,081
Pro forma adjusted net income for earnings per share calculation			331,787		204,844
Pro forma income per share			0.09		0.06

(1) The pro forma income per share assumes the Offering issues only shares sufficient to retire all outstanding debt as of January 1, 1995, thereby causing interest expense to be added back to net income, net of tax benefits using a 40% combined federal and state tax rate.
</TABLE>

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in this Amendment No. 1 to the Registration Statement on Form S-1 (File No. 333-10759) of our reports dated March 12, 1996, except as to the information in the first paragraph of Note 11, for which the date is September 10, 1996 on our audits of the financial statements and financial statement schedule of Boston Biomedica, Inc. and Subsidiaries. We also consent to the references to our firm under the captions "Selected Consolidated Financial Data" and "Experts."

COOPERS & LYBRAND L.L.P.

Boston, Massachusetts
October 8, 1996