329-A-3

2002-0210

516 Evergreen Dr.

Loading Dock Addition

Immucell Corp.

on Spreadsheet

CITY OF PORTLAND, MAINE
DEVELOPMENT REVIEW APPLICATION
PLANNING DEPARTMENT PROCESSING FORM
Engineering Copy

2002-0210
Application I. D. Number

9/17/02
Application Date

Immucell Corporation
Applicant

56 Evergreen Dr, Portland, ME 04103
Applicant's Mailing Address

Loading Dock Addition
Project Name/Description

Consultant/Agent

56 - 56 Evergreen Dr, Portland, Maine
Address of Proposed Site

Agent Ph: **Agent Fax:**
Applicant or Agent Daytime Telephone, Fax

329 A003001
Assessor's Reference: Chart-Block-Lot

Proposed Development (check all that apply): ☐ New Building ☑ Building Addition ☐ Change Of Use ☐ Residential ☐ Office ☐ Retail
☑ Manufacturing ☐ Warehouse/Distribution ☑ Parking Lot ☐ Other (specify)

2,000 s.f.
Proposed Building square Feet or # of Units

Acreage of Site

IM
Zoning

Check Review Required:

☑ Site Plan (major/minor)
☐ Subdivision # of lots
☐ PAD Review
☐ 14-403 Streets Review
☐ Flood Hazard
☐ Shoreland
☐ HistoricPreservation
☐ DEP Local Certification
☐ Zoning Conditional Use (ZBA/PB)
☐ Zoning Variance
☐ Other

Fees Paid: Site Plan **$400.00** Subdivision Engineer Review Date **9/26/02**

Engineering Comments

PUBLIC WORKS ENGINEERING REVIEW...10/03/02

I have reviewed the plans and application dated 9/17/02 and offer the following comments:

1. The applicant proposes a new connection into the City storm drain along the site's easterly boundary. The applicant needs to be aware that a permit is required by Public Works for this connection. The applicant is advised to contact Carol Merritt at Public Works fee associated with this proposed storm drain connection.

Performance Guarantee ☐ **Required*** ☐ **Not Required**

* No building permit may be issued until a performance guarantee has been submitted as indicated below

☐ Performance Guarantee Accepted — date — amount — expiration date

☐ Inspection Fee Paid — date — amount

☐ Building Permit Issue — date

☐ Performance Guarantee Reduced — date — remaining balance — signature

☐ Temporary Certificate of Occupancy — date — ☐ Conditions (See Attached) — expiration date

☐ Final Inspection — date — signature

☐ Certificate Of Occupancy — date

☐ Performance Guarantee Released

date	signature	

☐ Defect Guarantee Submitted

submitted date	amount	expiration date

☐ Defect Guarantee Released

date	signature	

Department of Planning & Development
Lee D. Urban, Director

Division Directors
Mark B. Adelson
Housing & Neighborhood Services

Alexander Q. Jaegerman, AICP
Planning

John N. Lufkin
Ecomonic Development

CITY OF PORTLAND

October 25, 2002

Mr. Frank Crabtree
Harriman Associates
One Auburn Business Park
Auburn, ME 04210

RE: Immucell Corporation, Loading Dock Addition, 56 Evergreen Drive
(ID# 2002-0210, CBL#329-A-3001)

Dear Mr. Crabtree:

On October 24, 2002, the Portland Planning Authority granted minor site plan approval with no conditions for the loading dock addition project at the Immucell Corporation located at 56 Evergreen Drive.

The approval is based on the submitted site plan. If you need to make any modifications to the approved site plan, you must submit a revised site plan for staff review and approval.

Please note the following provisions and requirements for all site plan approvals:

1. A performance guarantee covering the site improvements as well as an inspection fee payment of 2.0% of the guarantee amount and 7 final sets of plans must be submitted to and approved by the Planning Division and Public Works prior to the release of the building permit. If you need to make any modifications to the approved site plan, you must submit a revised site plan for staff review and approval.

2. The site plan approval will be deemed to have expired unless work in the development has commenced within one (1) year of the approval or within a time period agreed upon in writing by the City and the applicant. Requests to extend approvals must be received before the expiration date.

3. A defect guarantee, consisting of 10% of the performance guarantee, must be posted before the performance guarantee will be released.

4. Prior to construction, a pre-construction meeting shall be held at the project site with the contractor, development review coordinator, Public Work's representative and owner to review the construction schedule and critical aspects of the site work. At that time, the site/building contractor shall provide three (3) copies of a detailed construction schedule to the attending City representatives. It shall be the contractor's responsibility to arrange a mutually agreeable time for the preconstruction meeting.

5. If work will occur within the public right-of-way such as utilities, curb, sidewalk and driveway construction, a street opening permit(s) is required for your site. Please contact Carol Merritt at 874-8300, ext. 8828. (Only excavators licensed by the City of Portland are eligible.)

389 Congress Street • Portland, Maine 04101 • (207) 874-8721 • FAX 756-8258 • TTY 874-8936

Architects + Engineers

HARRIMAN ASSOCIATES

One Auburn Business Park
Auburn, Maine 04210

207.784.5100 telephone
207.782.3017 fax

Building communities
since 1870

November 4, 2002

Jonathan Spence
Planning Dept.
City of Portland
389 Congress Street
Portland, ME 04101

Re: Immucell Corp.
Additions and Renovations
Portland, Maine
Project No. 02151

Dear Jonathan:

Regarding the request for detail of the dumpster enclosure, we are enclosing a revised drawing C20.1, and a small 8-1/2" x 11" detail of the chain link fencing. Plastic privacy strips will be woven through the fencing fabric to screen the dumpsters from view, similar to Immucell's current dumpster enclosure.

Prior to construction in the spring of 2003, we will issue the seven sets of revised drawings, and Immucell will provide the performance guarantee and contractor's site work cost estimate.

We trust that this will answer the concerns and questions. If you require any further information, please contact us.

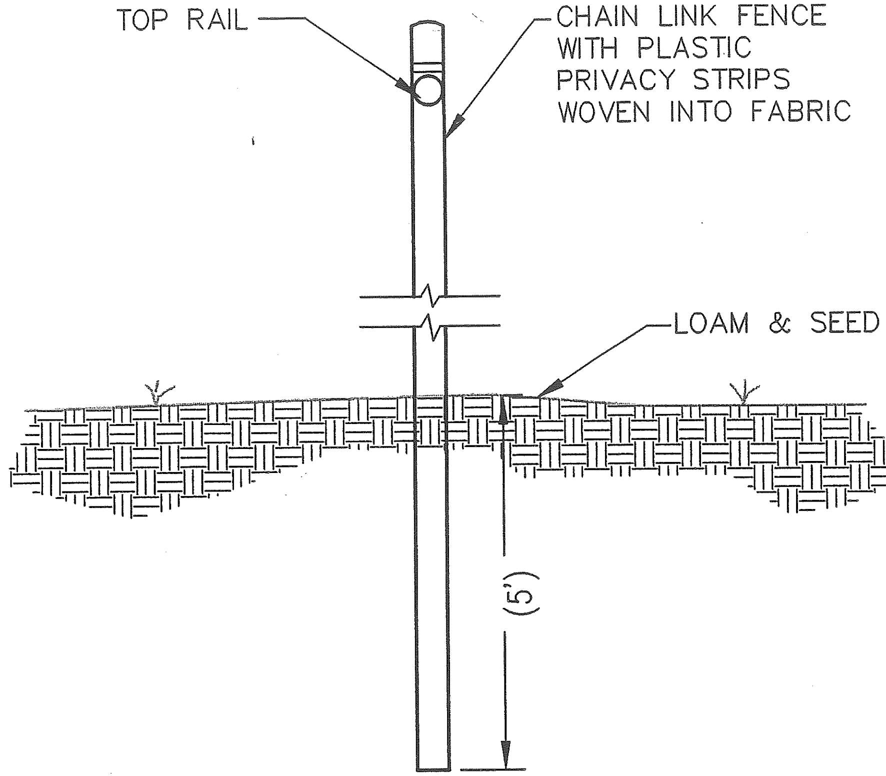
Sincerely,
Harriman Associates

Frank L. Crabtree, P.E.

Harriman Associates

Enclosures

cc: Dan Fisher (w/encl)



CHAIN LINK FENCE DETAIL

B3

NOT TO SCALE | IMMUCELL CORP. PORTLAND, ME

Architects + Engineers

HARRIMAN ASSOCIATES

66 Pearl Street, Suite 301
Portland, Maine 04101

207.775.0053 telephone
207.775.0460 fax
www.harriman.com

Building communities
since 1870

MEETING NOTES

To	Dan Fischer, Jonathon Spencer, PSC, FLC, FILE
From	Patrick Costin, AIA
Date	August 28, 2002
Project	Immucell Corp. Additions and Renovations Portland, Maine Project No. 02151
Subject	IMMUCELL CORPORATION ADDITIONS AND RENOVATIONS (8/22/02)

Present

Dan Fischer	Immucell Corporation
Jonathon Spencer	Portland Planning Department
Frank Crabtree	Harriman Associates
Patrick Costin	Harriman Associates

1. Since the area where new construction is planned is limited to the east side of the building, an updated partial topographic survey of site is acceptable for permit application.

2. A new boundary survey will not be required for permit application. Harriman Associates can utilize data from the a previous boundary survey.

3. A traffic study will not be required.

4. Harriman Associates permit drawings to provide a tabulation of occupancy areas within the existing building and the new addition along with the parking required by current zoning regulations.

5. A high intensity soils survey is not required for the permit application. A geotechnical report by a consultant will be generated based on two borings within the proposed building footprint.

6. A wetlands survey is not required for permit application.

7. Due to the small size of the project, Planning Board review will not be required. Planning staff will review and approve the project.

8. Planning staff's biggest concern will be on site traffic circulation for delivery vehicles and parking requirements.

9. Any disturbance to the existing drainage easement during construction must be repaired to pre-construction condition.

10. New exterior lighting must comply with the March 2000 edition of the city's technical standards.

11. Assuming there are no unforseen issues raised during the review by the city, approval can be expect within four weeks of application submission.

If written notice is not received within two weeks of receipt, the above meeting notes represent an accurate summary of the meeting and its conclusions.

Pscos/bnmus

CITY OF PORTLAND, MAINE
DEVELOPMENT REVIEW APPLICATION
PLANNING DEPARTMENT PROCESSING FORM
Planning Copy

2002-0210
Application I. D. Number

09/17/2002
Application Date

Immucell Corporation
Applicant

56 Evergreen Dr, Portland, ME 04103
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Loading Dock Addition
Project Name/Description

56 - 56 Evergreen Dr, Portland, Maine
Address of Proposed Site

Consultant/Agent

Agent Ph: **Agent Fax:**
Applicant or Agent Daytime Telephone, Fax

329 A003001
Assessor's Reference: Chart-Block-Lot

Proposed Development (check all that apply): ☐ New Building ☑ Building Addition ☐ Change Of Use ☐ Residential ☐ Office ☐ Retail
☑ Manufacturing ☐ Warehouse/Distribution ☑ Parking Lot ☐ Other (specify)

2,000 s.f.
Proposed Building square Feet or # of Units

Acreage of Site

IM
Zoning

Check Review Required:

☑ Site Plan (major/minor) ☐ Subdivision # of lots ☐ PAD Review ☐ 14-403 Streets Review
☐ Flood Hazard ☐ Shoreland ☐ HistoricPreservation ☐ DEP Local Certification
☐ Zoning Conditional Use (ZBA/PB) ☐ Zoning Variance ☐ Other

Fees Paid: Site Plan **$400.00** Subdivision Engineer Review Date **09/26/2002**

Planning Approval Status:

Reviewer

☐ **Approved** ☐ **Approved w/Conditions** See Attached ☐ **Denied**

Approval Date Approval Expiration Extension to ☐ Additional Sheets Attached

☐ OK to Issue Building Permit
signature date

Performance Guarantee ☐ **Required*** ☐ **Not Required**

* No building permit may be issued until a performance guarantee has been submitted as indicated below

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☐ Inspection Fee Paid — date — amount

☐ Building Permit Issue — date

☐ Performance Guarantee Reduced — date — remaining balance — signature

☐ Temporary Certificate of Occupancy — date — ☐ Conditions (See Attached) — expiration date

☐ Final Inspection — date — signature

☐ Certificate Of Occupancy — date

☐ Performance Guarantee Released — date — signature

☐ Defect Guarantee Submitted — submitted date — amount — expiration date

☐ Defect Guarantee Released — date — signature

Architects + Engineers

HARRIMAN ASSOCIATES

One Auburn Business Park
Auburn, Maine 04210

207.784.5100 telephone
207.782.3017 fax

Building communities
since 1870

August 15, 2002

Mr. Jonathan Spence
City Planning Department
City Hall
389 Congress Street
Portland, ME 04101

Re: Immucell Corp.
Additions and Renovations
Portland, Maine
Project No. 02151

Dear Jonathan:

As requested, enclosed is a copy of the 2000 building addition project for reference. We have sketched an approximate location for the building addition under discussion. Immucell is considering a 2000 sq.ft. building addition for a truck loading area.

We will meet you at your office at 10:00 am, Thursday 8-22-02, to discuss the possible addition, and any issues you may see. We would like to discuss what may be necessary for City Planning review and approval.

If you have questions while I am out of the office (Monday through Wednesday), please call Patrick Costin at this office, or Dan Fisher at Immucell (878-2770).

Sincerely,
Harriman Associates

Frank L. Crabtree, PE

flcra/bnmus

Enclosure

cc: Dan Fisher

Architects + Engineers

HARRIMAN ASSOCIATES

One Auburn Business Park
Auburn, Maine 04210

207.784.5100 telephone
207.782.3017 fax

Building communities
since 1870

September 20, 2002

Jonathan Spence
Planning Dept.
City of Portland
389 Congress Street
Portland, ME 04101

Re: Immucell Corp.
Additions and Renovations
Portland, Maine
Project No. 02151

Dear Jonathan:

Enclosed are nine (9) copies of the Site Plan Review submission package for the Immucell Corporation building addition and renovations. Also enclosed is a check for $400 for the filing fee for a minor development. Included are narratives, application form, and folded site plan drawings.

As discussed with Immucell personnel at your office, they want to break ground in late October. Let us know if you need any further documentation.

Thank you.

Sincerely,
Harriman Associates

Frank L. Crabtree, PE

Harriman Associates

Enclosures

cc: Dan Fisher (w/encl)

City of Portland Site Plan Application

If you or the property owner owe real estate taxes, personal property taxes or user charges on any property within the City of Portland, payment arrangements must be made before permit applications can be received by the Inspections Dept.

Address of Construction: 56 Evergreen Drive		Zone: I-M
Total Square Footage of Proposed Structure 2,000 sq. ft.	Square Footage of Lot 60,548 sq. ft.	
Tax Assessor's Chart, Block & Lot Chart# 329 Block# A Lot# 3	Property owner, mailing address: Immucell Corporation 56 Evergreen Drive, Portland ME 04103	Telephone: 878-2770
Consultant/Agent, mailing address, phone & contact person Harriman Associates Frank L. Crabtree, P.E. 784-5100	Applicant name, mailing address & telephone: Dan Fisher, Immucell Corporation 56 Evergreen Dr., Portland ME 04103 878-2770	**Project name:** Loading Dock Addition

Proposed Development (check all that apply) ___New Building XX Building Addition ___Change of Use
___Residential ___Office ___Retail XX Manufacturing ___Warehouse/Distribution XX Parking lot
___Subdivision, amount of lots____ $25.00 per lot $________
___Site Location of Development $3,000, except for residential lots which are then $200 per lot________
___Traffic Movement $1,000 ___Stormwater Quality $250.00 ___Other________________
___After the fact review - Major project $1,500.00 ____After the fact review - Minor project $1,200.00

Major Development ______ $500.00 **Minor Development XX $400.00**
Plan Amendments: ____Board review $200.00 ____Staff review $100.00

Who billing will be sent to: Immucell Corporation
Mailing address: 56 Evergreen Drive
State and Zip: Portland, ME 04103
Contact person: Dan Fisher
Phone: 878-2770

Submittals shall include (9) separate folded packets of the following:
a. **copy of application**
b. **cover letter stating the nature of the project**
c. **site plan containing the information found in the attached sample plans check list**

Amendment to Plans: Amendment applications should include 6 separate packets of the above (a, b, and c)

ALL PLANS MUST BE FOLDED NEATLY AND IN PACKET FORM

Section 14-522 of the Zoning Ordinance outlines the process, copies are available at the counter at .50 per page (8.5 x11) you may also visit the web site: ci.portland.me.us chapter 14

I hereby certify that I am the Owner of record of the named property, or that the owner of record authorizes the proposed work and that I have been authorized by the owner to make this application as his/her authorized agent. I agree to conform to all applicable laws of this jurisdiction. In addition, if a permit for work described in this application is issued, I certify that the Code Official's authorized representative shall have the authority to enter all areas covered by this permit at any reasonable hour to enforce the provisions of the codes applicable to this permit.

Signature of applicant: [signature]	**Date:** 9/17/02

This application is for site review ONLY, a building Permit application and associated fees will be required prior to construction.

CITY OF PORTLAND, MAINE
SITE PLAN CHECKLIST

IMMUCELL CORPORATION, 56 Evergreen Drive

Project Name, Address of Project

I.d. Number

Section 14-525 (b,c)

Submitted () & Date	Item	Required Information	
9-20-02	(1)	Standard boundary survey (stamped by a registered surveyor, at a scale of not less than 1 inch to 100 feet and including:	1
9-20-02	(2)	Name and address of applicant and name of proposed development	a
9-20-02	(3)	Scale and north points	b
9-20-02	(4)	Boundaries of the site	c
9-20-02	(5)	Total land area of site	d
9-20-02	(6)	Topography - existing and proposed (2 feet intervals or less)	e
9-20-02	(7)	Plans based on the boundary survey including:	2
9-20-02	(8)	Existing soil conditions	a
9-20-02	(9)	Location of water courses, marshes, rock outcroppings and wooded areas	b
9-20-02	(10)	Location, ground floor area and grade elevations of building and other structures existing and proposed, elevation drawings of exterior facades, and materials to be used	c
9-20-02	(11)	Approximate location of buildings or other structures on parcels abutting the site	d
1-20-02	(12)	Location of on-site waste receptacles	e
9-20-02	(13)	Public utilities	e
9-20-02	(14)	Water and sewer mains	e
9-20-02	(15)	Culverts, drains, existing and proposed, showing size and directions of flows	e
9-20-02	(16)	Location and dimensions, and ownership of easements, public or private rights-of-way, both existing and proposed	f
9-20-02	(17)	Location and dimensions of on-site pedestrian and vehicular accessways	g
9-20-02	(18)	Parking areas	g
9-20-02	(19)	Loading facilities	g
9-20-02	(20)	Design of ingress and egress of vehicles to and from the site onto public streets	g
9-20-02	(21)	Curb and sidewalks	g
9-20-02	(22)	Landscape plan showing:	h
9-20-02	(23)	Location of existing proposed vegetation	h
9-20-02	(24)	Type of vegetation	h
9-20-02	(25)	Quantity of plantings	h
9-20-02	(26)	Size of proposed landscaping	h
9-20-02	(27)	Existing areas to be preserved	h
9-20-02	(28)	Preservation measures to be employed	h
9-20-02	(29)	Details of planting and preservation specifications	h
9-20-02	(30)	Location and dimensions of all fencing and screening	i
9-20-02	(31)	Location and intensity of outdoor lighting system	j
9-20-02	(32)	Location of fire hydrants, existing and proposed	k
9-20-02	(33)	Written statement	c
9-20-02	(34)	Description of proposed uses to be located on site	l
NA	(35)	Quantity and type of residential, if any	l
9-20-02	(36)	Total land area of the site	b2
-20-02	(37)	Total floor area and ground coverage of each proposed building and structure	b2
1-20-02	(38)	General summery of existing and proposed easements or other burdens	c3
9-20-02	(39)	Method of handling solid waste disposal	4

O:\PLAN\CORRESP\SECRETAR\FORMS\SPLIST.JMD

9-20-02	(40)	Applicant's evaluation of availability of off-site public facilities, including sewer, water and streets	5
9-20-02	(41)	Description of any problems of drainage or topography, or a representation that there are none	6
9-20-02	(42)	An estimate of the time period required for completion of the development	7
9-20-02	(43)	A list of all state and federal regulatory approvals to which the development may be subject	8
NA	(44)	The status of any pending applications	8
NA	(45)	Anticipated timeframe for obtaining such permits	h8
NA	(46)	A letter of non jurisdiction	h8
9-20-02	(47)	Evidence of financial and technical capability to undertake and complete the development including a letter from a responsible financial institution stating that is has reviewed the planned development and would seriously consider financing it when approved.	

Note: Depending on the size and scope of the proposed development, the Planning Board or Planning Authority may request additional information, including (but not limited to):

- drainage patterns and facilities;
- erosion and sedimentation controls to be used during construction;
- a parking and/or traffic study;
- a noise study;
- an environmental impact study;
- a sun shadow study;
- a study of particulates and any other noxious emissions; and
- a wind impact analysis.

Other comments:

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IMMUCELL CORPORATION **SEPTEMBER 20, 2002**
BUILDING ADDITION
APPLICATION FOR SITE PLAN REVIEW
CITY OF PORTLAND PLANNING DEPARTMENT
PORTLAND, MAINE
Project No. 02151

INTRODUCTION

Immucell Corporation is a light industrial business, producing livestock related food products, and biotechnical supplies. The building is located on Lot 3 in the Evergreen Industrial Park off Riverside Street. The last building addition was permitted and constructed in 2000, and included two truck loading docks. The current proposed 2000 sq.ft. addition will add manufacturing space, and will re-orient the two loading docks to face the street. A small amount of pavement will be added to relocate eight parking spaces, and enlarge the truck maneuvering area.

SECTION 14-525: SITE PLAN REVIEW

This summary will address the submission requirements for Site Plan Review.

SEC. 14-525.b. PLAN CONTENTS

1. Standard Boundary Survey:
   a., b., c., d., e. Attached Existing Conditions by Survey & Geodetic Consultants, Inc., dated 9-16-00. This plan is based on located monuments and a previous boundary survey, as noted, and is not a Standard Boundary Survey. This was approved by Planning Staff at the pre-application meeting.

2. Plans and Maps:
   a. Existing soil conditions are shown on the attached USDA Soil Conservation Service medium intensity soil map #75 for Cumberland County. The soil type in this area is Scantic silt loam.
   b. Topographic features: See drawing C20.1.
   c. Building features: See drawing A10.1.
   d. Abutting structures: See drawing C20.1.
   e. Site utilities: See drawing C30.1.
   f. Property: See Survey, and Existing Conditions Plan.
   g. Access and pavements: See drawing C20.1.
   h-i. Landscape: See drawing C20.1.
   j-k. Existing features: See drawing C10.1.) (No new fire hydrants proposed).

l. Wetlands: No freshwater wetlands will be disturbed by this project. Wetlands delineation was not needed for this developed industrial lot, as determined by Planning Staff at the pre-application meeting.

m. Test Pits or Borings: Not needed for this minor building addition.

n. Erosion Control: See drawing C30.1.

o. Recycling storage: See dumpster location on drawing C20.1.

SEC. 14-525.c. WRITTEN STATEMENTS

Property Owner/developer is:	Immucell Corporation 56 Evergreen Drive Portland, ME 04103 Contact: Dan Fisher Tel. 207-878-2770

Estimated Construction Cost of small building addition and sitework: $250,000

1. The existing manufacturing facility is housed in a 23,583 sq.ft. building, comprised of the following uses:

-Existing Office Use	3781 sq.ft.
-Existing Storage/Mechanical	3093 sq.ft.
-Existing Unfinished/Open Area	5050 sq.ft.
-Existing Manufacturing Use	11,659 sq.ft.

The small building addition will be manufacturing space, which will also include the two relocated truck loading docks. This 2000 sq.ft. of Manufacturing area will bring the total building area to approximately 25,583 sq.ft.

On the site, the developed areas are primarily truck maneuvering drives and employee paved parking. Approximately 3400 sq.ft. of new bituminous pavement will be added, including relocation of 8 parking spaces. However, the existing parking count of 37 spaces will remain.

2. The Lot 3 parcel is approximately 1.39 acres (60,548 sq.ft.). The new building addition will be approximately 2000 s.f. of ground area. This small addition yields approximately 0.3% lot coverage, and occurs in an existing paved area.

3. Along the northeasterly property line is an existing City of Portland drainage easement; and along the southeasterly property line is an existing City of Portland drainage and sewerline easement. There will be no disturbance to these easements, that will not be returned to existing condition following construction. No new easement will be created.

4. Approximately one to two cubic yards of additional trash per month are anticipated from the proposed building addition. This will be an increase of the same type of paper, plastic, and general trash as the current facility generates. This insignificant amount of solid waste will be placed in the existing dumpster on-site.

5. Currently, the existing manufacturing facility is fully serviced by public water, sewer, electric, and gas utilities. No additional service will be required for this small addition.

6. Surface Drainage and Stormwater: The existing 1.39 acre industrial site is imperviously surfaced with a large building and paved areas. There are two small wooded areas; the remaining area is landscaped lawn. The site gently drains to the north (rear) and south (towards the street). At the street, the water is picked up by a system of swales, culverts, and storm drains. The storm drains carry the water to the rear of the site via an 18 inch City storm pipe. At the rear of the site, two drainage swales carry this site's water northeasterly, eventually leading to a small unnamed brook approximately 1/2-mile from the site, and then to the Presumpscot River.

   The proposed addition will be located in the existing parking area at the existing loading docks. New bituminous pavement will be added in the existing wooded area east of the building, thereby adding approximately 0.08 acres (about 3500 square feet) of impervious area to the site. This additional impervious area increases the storm water peak flow rate to the swales at the rear of the property by a maximum of 0.13 cubic feet per second. This insignificant change is within the assumption and computational accuracy tolerances of the storm water model, and will be undetectable at the property line or downstream of the site.

7. Anticipated Construction Schedule:

Oct. 20, 2002:	Erect silt fencing downslope of earthwork areas. Begin removal of existing pavements, and begin earthwork for building addition.
Nov. 11, 2002:	Install underground utilities and storm drainage system. Re-grade site and vehicle maneuvering areas.
Nov. 22, 2002:	Complete paving on truck dock area and relocated parking.
Nov. 27, 2002:	Finish loaming and seeding all grass areas, with heavy winter mulch.
March 14, 2003:	Complete building addition, install equipment, and begin occupancy.

April 1, 2003:	Clean and maintain silt fence and erosion control measures throughout the site.
May 1, 2003:	Re-seed where necessary for full catch of grass. Plant landscaping materials.
June 2, 2003:	Clean-up around site; repair disturbed areas with seed and mulch. Remove erosion control measures when stabilization is complete.

8. No State or Federal regulatory permits are needed for this small addition. This small 1.39-acre total parcel is far below the DEP Site Location Permit threshold of 3-acre impervious; and impervious area additions since 1997 are far below the DEP Stormwater Permit threshold of 1-acre. There will be no disturbance of wetlands or streams, which could trigger a DEP and Army Corp Wetland or NRPA Permit.

9. Financial Capacity: Immucell Corporation intends to fund the project through its 'Cash and Cash Equivalents' account, which was $1.2 million at the end of June this year. A letter of commitment from Immucell is attached.
   Technical Capacity: Immucell Corporation owns and operates the existing manufacturing building and site facilities on their lot, and this proposed manufacturing addition will be operated by the same staff.

10. Title, Right, and Interest: See attached deed.

11. On this small 1.39-acre industrial park lot there are no known unusual natural areas or habitats. The lot is almost entirely developed with building, pavement, and mowed lawns. The grassed drainage easements to the north and east of the building will remain undisturbed, and will continue to channel the storm runoff to the existing drainage swales to the north.

12. Final Drawings will be available as CADD files.

13. The proposed building addition will add approximately 2 cubic yards of recycled cardboard each month, according to the attached letter from Immucell. One recycling container for cardboard is located at the back of the paved truck maneuvering area, and is next to the trash dumpster. The recycling dumpster is 10' deep x 6' wide x 5' tall, and the trash dumpster is 7' deep x 5' wide x 6' tall. They will be screened from the easterly neighboring industrial building by a row of new evergreen trees.

ADDITIONAL STANDARDS:

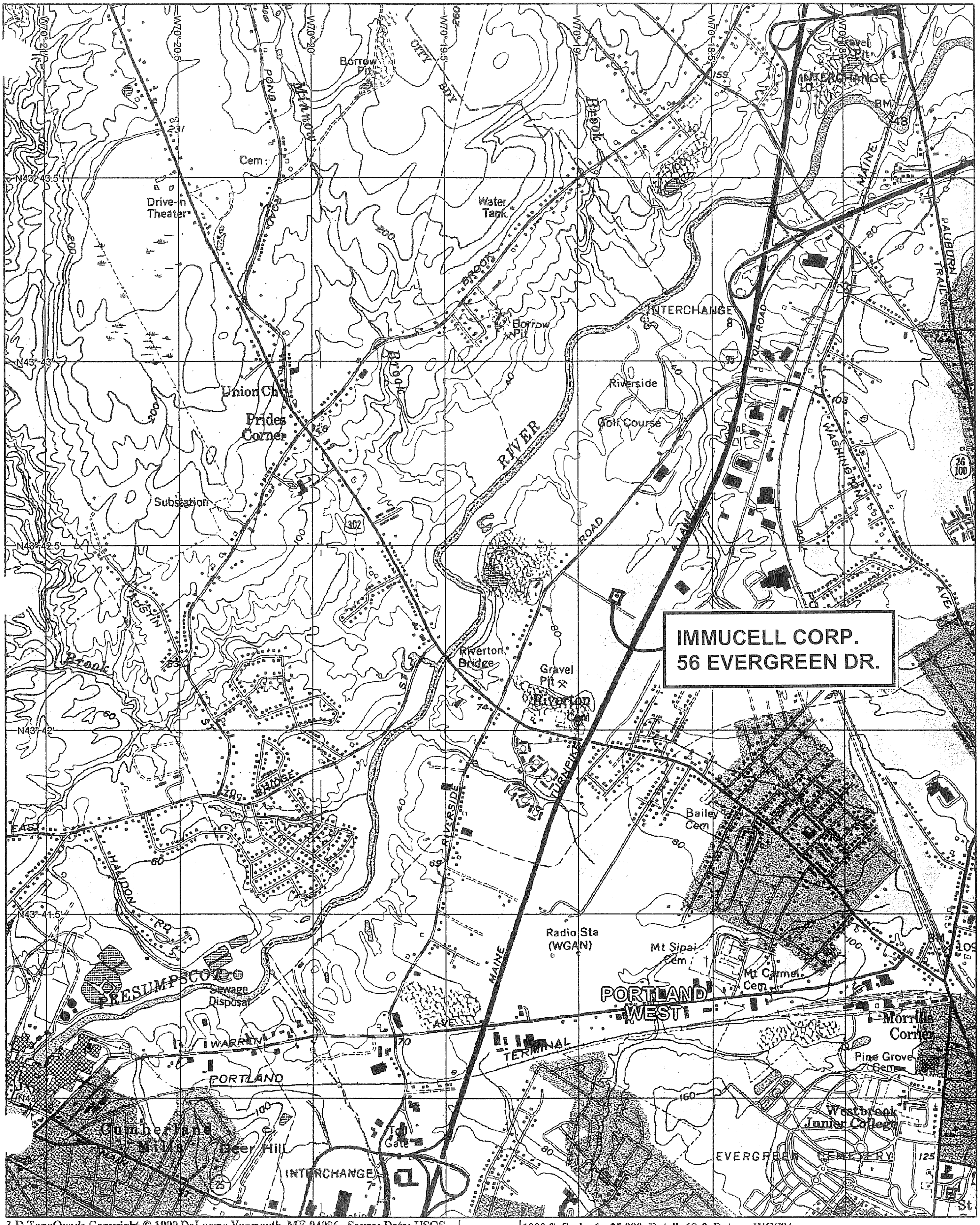
1. Truck Loading Area:
   The two truck docks will be oriented to face the street, rather than the side property line. This will allow better access without continuing to exit over the neighbor's driveway. Small daily delivery trucks can drive onto the lot, then back up to the grade-level dock. Larger trucks and tractor-trailers will need to back straight in from the street, since there is not sufficient turning radius on-site. All trucks then will be able to exit straight out the south drive.

2. Parking:
   The existing 37 parking spaces are more than that required by the ordinance. Eight of the spaces on the southeast side will be moved easterly to allow better truck access, but the count of 37 will not change.

   Ordinance requires 10 spaces for Office Use(1 per 400s.f.) and 14 spaces for Manufacturing Use(1 per 1000s.f.) = 24 spaces.

3. Lighting:
   The existing site is lit from wall-pack lights on the building. Additional wall-pack lights will be added to the new building addition. These fixtures will have cut-off lense features, as shown on the enclosed data sheets.

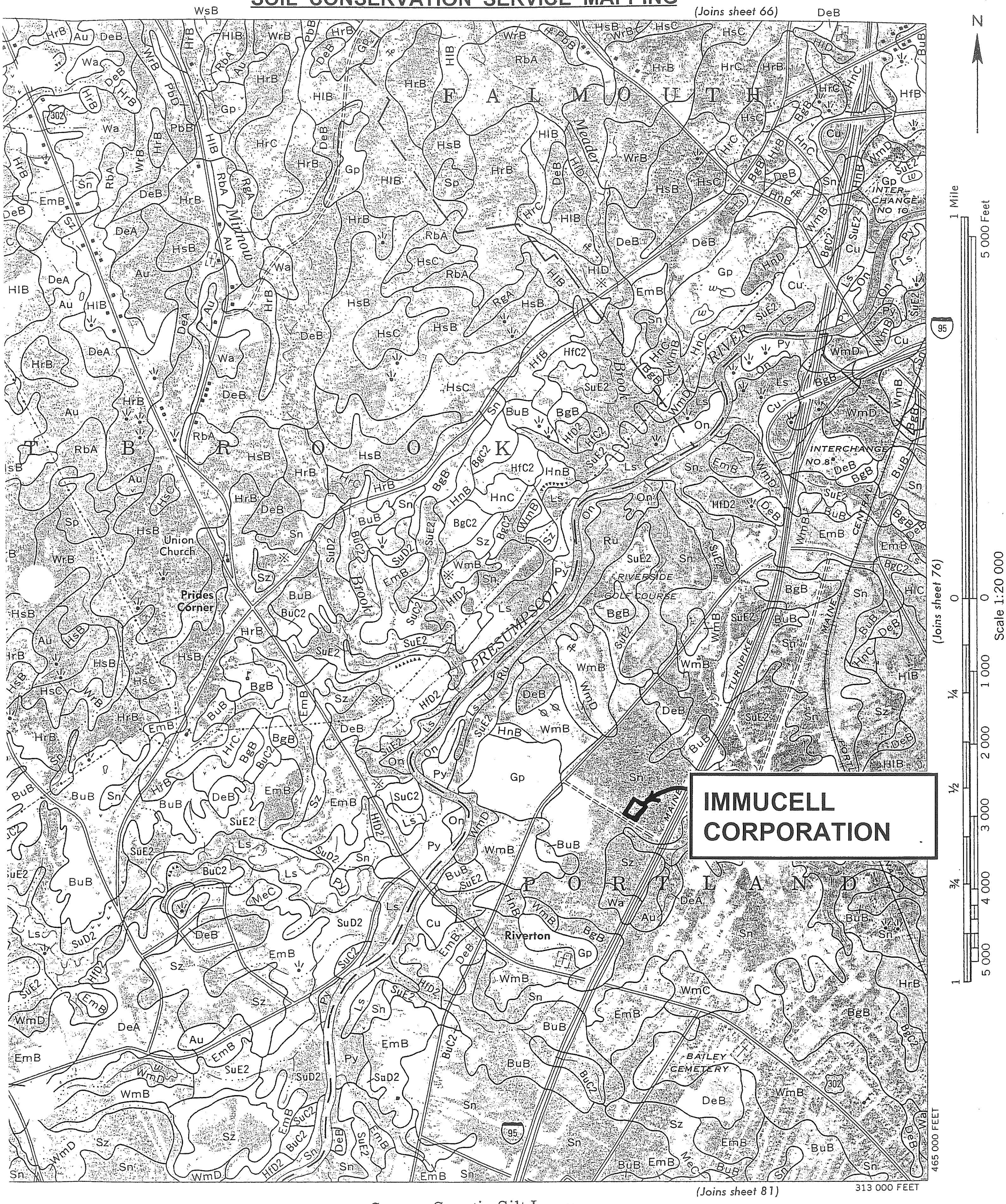
4. Sewer Acidic Waste Neutralization: Most of the waste by-product of the manufacturing process to be housed in the new addition is liquid, which will be piped to the municipal sewer line from the Immucell plant. Leaving the building, the liquid will have a low Ph(acidic) and will be treated in a buried concrete tank to increase the Ph to a desirable neutral level. Between the outflow of the treatment tank and the existing sewer service line, a concrete monitoring manhole will be placed, where the City Sanitary Department and the owner can sample the treated waste stream. The Ph can be checked as often as needed at this location, and adjustment to the process can be made. (See drawing C40.1 for location)



3-D TopoQuads Copyright © 1999 DeLorme Yarmouth, ME 04096 Source Data: USGS 1000 ft Scale: 1 : 25,000 Detail: 13-0 Datum: WGS84

AINE — SHEET NUMBER 75

SOIL CONSERVATION SERVICE MAPPING



Sn = Scantic Silt Loam

ImmuCell

To: City of Portland

CC: Harriman Associates

From: Dan Fisher, ImmuCell Corp. 9/17/02

Date: 9/17/02

Subject: Estimated Increase in Solid Waste and Recyclables

The proposed expansion at 56 Evergreen Drive will accommodate a new loading dock and floor space for additional manufacturing. Due to the nature of the additional manufacturing operations, we estimate the process will generate only a modest volume of recyclable and solid waste. I estimate that the manufacturing process will produce approximately two cubic yards of recyclable material and 1-2 cubic yards of solid waste. Recyclable and solid waste materials will be collected in existing containers located outside of the facility adjacent to the proposed addition.

ImmuCell Corporation

56 Evergreen Drive, Portland, Maine 04130
Telephone (207) 878-2770 • Telefax (207) 878-2117
www.ImmuCell.com

MORTGAGE DEED, SECURITY AGREEMENT AND FINANCING STATEMENT

IMMUCELL CORPORATION, a Delaware Corporation

to

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PEOPLES HERITAGE SAVINGS BANK

KNOW ALL MEN BY THESE PRESENTS, that IMMUCELL CORPORATION, a Delaware Corporation, with a mailing address of 56 Evergreen Drive, Portland, Maine 04103 (the "Grantor"), in consideration of One Dollar ($1.00) and other valuable consideration paid by PEOPLES HERITAGE SAVINGS BANK, a savings bank duly organized and existing by law and having a place of business at One Portland Square, Portland, Maine, with a mailing address of P.O. Box 9540, Portland, Maine 04112-9540 (the "Grantee"), the receipt whereof is hereby acknowledged, does hereby give, grant, bargain, sell and convey unto the said PEOPLES HERITAGE SAVINGS BANK, its successors and assigns, forever, the following described parcels of real estate:

A certain lot or parcel of land situated in the City of Portland, County of Cumberalnd and State of Maine, more particularly described in <u>Schedule A</u> attached hereto and incorporated herein.

Together with all buildings, fixtures and improvements now or hereafter situated thereon, including without limitation, all plumbing, electrical, heating, ventilating, air conditioning, and all other building components, machinery and equipment.

Also hereby conveying all of the Grantor's right, title and interest in and to the fee underlying all public or private rights-of-way, easements, streets and alleys over, contiguous, benefiting or appurtenant to the Premises conveyed hereby.

(All of the above are collectively referred to herein as the "Premises").

As additional security for payment and performance of the Obligations (as hereinafter defined), covenants and agreements secured hereby, Grantor hereby transfers, assigns and grants a security interest to Grantee in:

a) All rents, profits, revenues, receipts from site charges, royalties, rights and benefits under any and all leases or tenancies now existing or hereafter created of the Premises or any part thereof and all deposits granted to secure the tenants' performance thereunder, with the right to receive and apply the same to the Obligations secured hereby, and Grantee may demand, sue for and recover such payments, but shall not be required to do so; provided, however, that so long as Grantor is not in Default hereunder, as hereinafter defined, the right to

Cumberland County Registry of Deeds
Book 4068 Page 95

receive and retain such rents, profits and income is reserved to Grantor. To carry out the foregoing, Grantor agrees to execute and deliver to Grantee such assignments of leases and rentals applicable to the Premises as the Grantee may from time to time request, while this Mortgage and the Obligations are outstanding. Nothing herein shall obligate Grantee to perform the duties of Grantor as landlord or lessor under any such leases or tenancies, which duties Grantor hereby covenants and agrees to well and punctually perform. Following default by Grantor in its Obligations (hereafter defined) to Grantee, Grantee may, subject to any applicable notice and/or cure provision, in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court which Grantee shall be entitled to have appointed, take possession of the Premises and have, hold, manage, lease and operate the Premises on such terms and for such period of time as Grantee may deem proper, and to apply such rents, income and profits to the payment of:

i) All expenses of managing the Premises; and

ii) The Obligations, together with all costs and attorneys fees of Grantee.

The exercise by the Grantee of the rights provided above shall not be considered a waiver of any default by the Grantor under the obligations, or an election of remedies of Grantee, all of which shall be cumulative;

b) All judgments, awards of damages and settlements hereafter made as a result or in lieu of any taking of the Premises or any interest therein or part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Premises, or the improvements thereon or any part thereof, including any award for change of grade of streets. Grantee may apply all such sums or any part thereof so received to the Obligations secured hereby in such manner as it elects or, at its option, the entire amount, or any part thereof so received, may be released. Grantor hereby irrevocably authorizes and appoints Grantee as Grantor's attorney-in-fact to collect and receive any such judgments, awards and settlements from the authorities or entities making the same, to appear in any proceeding therefor, to give receipts and acquittances therefor, and to apply the same to payment on account of the Obligations secured hereby, whether then matured or not; and the Grantor will execute and deliver to the Grantee on demand such assignments and other instruments as the Grantee may require for said purposes and will reimburse the Grantee for its costs (including reasonable counsel fees) in the collection of such judgments and settlements.

c) All goods and items of personal or real property which are now or may hereafter become, fixtures upon or with respect to the Premises;

d) All construction and building materials, supplies, lumber, hardware or other items of personal property which are now or may hereafter become, affixed to or a part of the Premises, whether as a part of the real property, or as a fixture;

e) All other equipment and machinery, now or hereafter affixed to or placed upon the Premises and necessary to the actual use and ownership of the real estate. Grantee does not have a security interest, as of this date, in the operating assets of Grantor.

Receipt of rents, awards, and any other monies or evidences thereof, pursuant to the provisions of the foregoing paragraphs (a) - (e) and any disposition of the same by Grantee shall not constitute a waiver of the right of foreclosure by Grantee in the event of Default or failure of performance by Grantor of any covenant or agreement contained herein or in any other instrument or agreement evidencing, securing, guaranteeing or governing the Obligations (the "Loan Documents"). The foregoing assignments shall not be deemed to waive, subordinate, or otherwise affect the priority of the lien of this Mortgage or the terms set forth hereinafter.

This Mortgage shall also serve as a FINANCING STATEMENT with respect to any and all fixtures of the Grantor (Debtor) whether now owned or hereafter acquired, which are or may become affixed to the above-described Premises. Information concerning this security interest in the fixtures may be obtained from the Grantee (Secured Party) at its offices listed at the commencement of this Mortgage; the mailing address of the Grantor (Debtor) is the address listed at the commencement of this Mortgage. Proceeds of all collateral (including insurance proceeds) are also covered, although no disposition of collateral by Grantor (Debtor) is thereby authorized.

(All of the above items are "Personal Property Collateral").

Grantee may exercise all of the remedies of a secured party under the Uniform Commercial Code as now in effect in the State of Maine, and such further remedies as may from time to time hereafter be provided in Maine for a secured party under this Mortgage Deed and Financing Statement. Grantor agrees that all rights and remedies of Grantee as to the Personal Property Collateral and as to the Premises, and all rights and interests appurtenant thereto, shall be cumulative and may be exercised together or separately without waiver by Grantee of any other of its rights or remedies. Grantor further agrees that any sale or other disposition by Grantee of the Personal Property Collateral and any rights and interests therein or appurtenant thereto, or any part thereof, may be conducted either separately from or together with any foreclosure, sale or other disposition of the Premises, or any rights or interests therein or appurtenant thereto, or any part thereof, all as the Grantee may in its sole discretion elect.

TO HAVE AND TO HOLD the above granted Premises and Personal Property Collateral, with all the privileges and appurtenances to the same belonging, to said PEOPLES HERITAGE SAVINGS BANK, its successors and assigns, to its and their use and behoof forever;

PROVIDED NEVERTHELESS, that if Grantor, its successors, or assigns, pays or causes to be paid to Grantee, its successors or assigns, the principal sum of TWO HUNDRED TWENTY THOUSAND DOLLARS ($220,000), plus interest, costs of collection, and other charges in accordance with a certain promissory note of even date, and any extensions, renewals or replacements of the foregoing, those obligations established under a certain commitment letter dated September 28, 1993, as accepted by the Grantor, under any other of the Loan Documents, and any and all other obligations and liabilities of the Grantor to Bank now existing or hereafter arising, howsoever created or evidenced; including, without limitation, all renewals, extensions or modifications or substitutions of any of the foregoing obligations, and shall repay when due any and all other advances which shall be made by Grantee to Grantor up to the overall principal amount of TWO HUNDRED TWENTY THOUSAND DOLLARS ($220,000) plus interest and future advances necessary to protect the security and all expenses, if any, which are incurred in the collection of said note and advances, the enforcement of the Obligations and Loan Documents, and in the enforcement and foreclosure of this Mortgage, including reasonable attorneys' fees, which advances to protect the security shall be in addition to and not limited by said principal dollar amount, and until such payment performs all of Grantor's obligations, covenants and agreements contained herein and contained in said Note, commitment letter, or contained in any other of the Loan Documents (collectively the "Obligations"), then this Mortgage shall be void, otherwise shall remain in full force.

Grantor further covenants and agrees with Grantee as follows:

1. <u>Payment and Performance.</u> Grantor shall promptly pay and perform the Obligations secured hereby when due at the times and in the manner specified.

At its sole option the Grantee, its successors and assigns, may from time to time extend, renew, alter, and amend the Obligations secured hereby, provided, however, that the total principal secured hereby and remaining unpaid, including any such principal advances, other than interest and advances to protect the security or to collect the Obligations, shall not at any time exceed as to principal the original principal sum ceiling set forth above. All provisions of this Mortgage shall apply to each further advance as well as to all other Obligations secured hereby regardless of whether the advance is specifically designated as being secured hereby. Nothing herein contained, however, shall limit the amount secured by this Mortgage if such amount is increased by advances made by Grantee, as herein elsewhere provided for, to protect the security or is increased by costs of collection.

2. Title. Grantor has good, marketable title to an indefeasible estate in fee simple in the Premises and good and marketable title to the Personal Property Collateral, free and clear of all liens and encumbrances, except as may have been specifically noted herein, and has good right and power to convey the Premises and Personal Property Collateral to Grantee to hold as aforesaid. This Mortgage is and will remain a valid and enforceable lien on the Premises and Personal Property Collateral, and Grantor shall and will Warrant and Defend the same to Grantee forever against the claims and demands of all persons, except as aforesaid.

3. Taxes and Assessments. Grantor shall promptly pay and discharge, when due, all taxes and assessments of every type or nature levied or assessed against the Premises and Personal Property Collateral, all water and sewerage charges, and any other governmental claim, obligation or encumbrance against the Premises and Personal Property Collateral which may be or become prior to this Mortgage, except as are being actively contested in good faith and by appropriate proceedings diligently pursued so as to prevent the ripening of any lien, and with adequate reserves established therefor. Upon request, Grantor shall deliver to Grantee receipts evidencing payment of any such taxes, assessments, charges and encumbrances.

4. Escrow. Upon written request therefor by Grantee to Grantor, which request may be made within Grantee's sole discretion, and which request may be withdrawn and remade from time to time, Grantor shall pay to Grantee on a monthly basis as hereinafter set forth a sum equal to the real estate taxes, assessments, and water and sewer charges next due on the Premises and Personal Property Collateral and all premiums next due for fire and other casualty insurance required of Grantor hereunder, less all sums already paid therefor, divided by the number of months to elapse not less than one (1) month prior to the date when due, to be held in an interest-bearing account. Grantor agrees that should there be insufficient funds so deposited with Grantee for said taxes, assessments, charges and premiums when due, it will upon demand by Grantee promptly pay to Grantee amounts necessary to make such payments in full; any surplus funds may be applied

toward the payment of the Obligations secured by this Mortgage or credited toward such taxes, assessments, charges and premiums. Upon Default, the Grantee may apply such funds toward the payment of the Obligations without causing thereby a waiver of any rights, statutory or otherwise, and specifically such application shall not constitute a waiver of the right of foreclosure hereunder. Grantor hereby assigns to Grantee all the foregoing sums so held hereunder for such purposes.

5. Insurance. Grantor shall keep the Premises and Personal Property Collateral (including all building, improvements and fixtures) insured against loss or damage by fire, the perils against which insurance is afforded by the Extended Coverage Endorsement with vandalism and malicious mischief endorsements, and such other risks and perils as Grantee may require from time to time. The policy or policies of such insurance shall be in such form and shall be in such amounts as shall comply with all co-insurance requirements of such policies, and as Grantee may reasonably require, shall be issued by a company or companies licensed to do business in Maine by the Maine Superintendent of Insurance and approved by Grantee, and shall provide for Grantee as mortgagee/loss payee and shall provide at least thirty (30) days' notice of cancellation or change of coverage to Grantee. Whenever requested by Grantee, a duplicate copy of such policies or other reasonable proof of insurance shall be delivered immediately to Grantee. Any and all amounts received by Grantee under any of such policies may be applied by Grantee on the Obligations secured hereby in such manner as Grantee may, in accordance with law, elect, or, at the option of Grantee, the entire amount so received or any part thereof may be released.

6. Condition and Use of Premises. Grantor:

a) shall not remove or demolish nor alter the design or structural character of any building now or hereafter erected upon the Premises unless the Grantee shall first consent thereto in writing which consent shall not be unreasonably withheld;

b) shall maintain the Premises and Personal Property Collateral in good condition and repair;

c) shall not commit or suffer waste thereof; and

d) shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Premises, its operations, or any activities conducted on or about the Premises, and Personal Property Collateral and will not suffer or permit any violation thereof, by any other person or entity including any tenant or other party in possession.

7. Financial Records. Grantor shall maintain full and accurate records and books of account in accordance with generally accepted accounting principles consistently applied, showing in detail the earnings and expenses of Grantor, and of the Premises and Personal Property Collateral and shall permit Grantee to examine the Premises and Personal Property Collateral and said books and records and all supporting vouchers and data any time and from time to time upon request; and Grantor hereby agrees to furnish to Grantee annual financial statements in such form as Grantee may require, together with such further financial and other information relating to the Grantor and the Premises and Personal Property Collateral as Grantee may require. Grantor shall provide the financial reports and information to Grantee as required and at the times set forth in the September 28, 1993 Commitment Letter from Grantee to Grantor.

8. Permitted Use. If at any time the then existing use or occupancy of the Premises and Personal Property Collateral shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, then Grantor shall not cause or permit such use or occupancy to be discontinued without the prior written consent of the Grantee.

9. Waivers. No delay by Grantee in exercising any right or remedy hereunder, or otherwise afforded by law, or by any other of the Loan Documents, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder, and no waiver shall be effective unless in writing signed by the Grantee, nor serve as a waiver of the same or other default on any other occasion.

10. Modification of Security. Without affecting the liability of Grantor or any other person (except any person expressly released in writing) for payment or for performance of any of the Obligations, and without affecting the rights of Grantee with respect to any other security not expressly released or modified in writing, and without impairing the validity or priority of this Mortgage, Grantee may at any time and from time to time, either before or after the maturity of the Obligations without notice or consent:

a) Release or modify the liability of any person or of any other security for payment or performance of all or any part of the Obligations;

b) Extend the time or otherwise alter, increase or decrease the terms of payment or interest rate of all or any part of the Obligations or modify or waive any of the Obligations, or subordinate, release, modify or otherwise deal with the lien or charge hereof;

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c) Exercise or refrain from exercising or waive any right Grantee may have including, without limitation, the declaration of default under and foreclosure of this Mortgage without first exhausting other remedies or collateral or taking any other action against any other person;

d) Accept additional security of any kind; or

e) Release or otherwise deal with any other property, real or personal, securing the Obligations, including all or any part of the Premises and Personal Property Collateral.

11. Priority of Future Agreements. Any agreement hereafter made by Grantor and Grantee pursuant to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance to the extent allowed by law.

12. Additional Documents. Grantor at Grantor's expense will do, execute, acknowledge and deliver to Grantee such further deeds, acts, conveyances, mortgages, assignments, transfers, and all other documents and assurances as Grantee in its discretion may reasonably require from time to time to better establish and perfect the property interests and rights created or intended by Grantee to be created in accordance with the provisions of the September 28, 1993 Commitment Letter from Grantee to Grantor, as amended.

13. Transfers of Title. The Grantor herein shall not sell, convey, encumber or otherwise dispose of the Premises and Personal Property Collateral or any interest therein, either voluntarily or involuntarily, including without limitation, any lease with an option to purchase, bond for deed, purchase and sale contract coupled with transfer of possession or lease with a term of more than two (2) years, except with the prior written consent of the Grantee. This condition shall continue until all Obligations secured hereby are satisfied, and any permission given or election made not to foreclose or accelerate said Obligations by Grantee, its successors or assigns, as to any one such transfer, shall not constitute a waiver of any rights as to any subsequent transfer of title as to which this condition shall remain in full force and effect.

14. Environmental Matters. Grantor represents in response to inquiries from the Grantee, covenants and agrees as follows:

a) Grantor, the Premises and the Personal Property Collateral do now and shall at all times comply with the requirements of all present and future federal, state, and local statutes, regulations, ordinances, licenses, permits, agreements and orders ("Environmental Requirements") relating to environmental and land use matters, including, without limitation, the federal Comprehensive Environmental Response, Compensation and Liability Act, the federal Superfund Amendments and Reauthorization Act of 1986, and the Maine Uncontrolled Hazardous Substance Sites Act, as any of them may be amended or supplemented from time to time, and Grantor has received no notice (directly or indirectly) from any governmental agency or from any other party of alleged noncompliance with Environmental Requirements;

b) In its sole discretion, Grantee may, but shall not be required to, discharge any environmental lien or encumbrance, or make advances for the purpose of complying with any Environmental Requirements, or directly undertake environmental studies, clean-up, removals, or remedial work with respect to the Premises or Personal Property Collateral; all such expenses and advances shall be deemed advances necessary to protect the security and shall be a part of the Obligations secured hereby; Grantor hereby covenants and agrees promptly upon demand to reimburse, indemnify and hold Grantee harmless on account of any such claims, expenses and advances, including costs and reasonable attorneys' fees incurred in the enforcement and collection of this right, which shall be added to the Obligations;

c) Grantee shall have no responsibility to monitor (or to continue to monitor once undertaken) the compliance of Grantor, or any party claiming through Grantor, with any Environmental Requirements; no relationship shall exist between Grantor and Grantee except mortgagor-borrower and mortgagee-lender; and

d) Grantor agrees to promptly notify Grantee in writing of any direct or indirect receipt by Grantor of any notice of any alleged or threatened violation of any Environmental Requirements or any related legal proceedings involving the Grantor, Premises or Personal Property Collateral, or the occurrence of any accident, event or condition that constitutes a likely violation of any Environmental Requirements.

15. Events of Default. Subject to the fifteen (15) day grace period for payment defaults and the thirty (30) day notice and cure requirement for nonpayment defaults, as set forth in the Note secured hereby, this Mortgage and the Obligations secured hereby shall, at the option of the Grantee herein, become immediately due and payable upon any one or more of the following events of default (referred to herein as a "Default"):

a) Default in the prompt payment or performance of the Obligations or any other obligation, liability or covenant of Grantor to Grantee, whether or not secured hereby or established hereunder, or the obligation of any endorser, guarantor or surety for any of the Obligations or demand by Grantee under the terms of any demand note secured hereby or given by the Grantor to the Grantee;

b) Grantor's failure or neglect to perform, keep or observe any material term, provision, condition, covenant, warranty or representation contained in this Mortgage or in any other of the Loan Documents which is required to be performed, kept or observed by Grantor;

c) If any representation, statement, report or certificate made or delivered by Grantor, or by any maker, partner, principal or guarantor for the Obligations is false or incorrect in any material respect when made or delivered, or if Grantor fails to furnish financial information or permit inspections as provided in this Mortgage;

d) If any attachment, trustee process, lien, execution, levy, injunction, or receivership is issued or made against the Grantor or the Premises and Personal Property Collateral and is not removed within sixty (60) days or if any final judgment and execution issued against Grantor remains unsatisfied;

e) If Grantor fails to pay any tax, assessment, sewer or water charge on the Premises and Personal Property Collateral, as provided herein, or fails to maintain any insurance policy the Grantor is required to provide to or for the benefit of the Grantee;

f) If Grantor fails to maintain the Premises and Personal Property Collateral in good condition and repair, or permits or suffers any waste thereof;

g) The entry of a decree or order for relief with respect to the Grantor in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, trustee, custodian (or similar official) of the Grantor, or ordering the winding-up or liquidation of its affairs which is not promptly contested and released or discharged within sixty (60) days;

h) The commencement by the Grantor of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Grantor to the appointment of or taking possession by a receiver, liquidator, trustee, custodian (or other similar official) of the Grantor or for any substantial part of its property, or the making by Grantor of any assignment for the benefit of creditors, or the insolvency or the failure of the Grantor generally to pay its debts as such debts become due, or the taking of action by the Grantor in furtherance of any of the foregoing;

i) The sale, conveyance, encumbrance or other disposition of the Premises and Personal Property Collateral or any interest therein either voluntarily or involuntarily, including without limitation any lease with an option to purchase, bond for deed, purchase and sale contract coupled with transfer of possession, or lease with a term of more than two (2) years excepting, however, condemnation or eminent domain proceedings or as otherwise expressly permitted herein;

j) Loss or destruction of or substantial damage to any of the Premises and Personal Property Collateral; or

k) If the Grantee in good faith deems itself insecure because the value of the Premises and Personal Property Collateral, or the priority of this Mortgage, is impaired.

16. Powers Upon Default. Subject to the fifteen (15) day grace period for payment defaults and the thirty (30) day notice and cure requirement for nonpayment defaults, as set forth in the Note secured hereby, upon the occurrence of any Default or at any time thereafter, Grantee may, at its option, do any one or more of the following, all of which are hereby authorized by Grantor:

a) Declare the Obligations immediately due and payable;

b) Cease advancing money or extending credit to or for the benefit of the Grantor under any agreement, whether or not secured hereby;

c) Foreclose this Mortgage under any legal method of foreclosure in existence at the time or now existing, or under any other applicable law, including, without limitation, the Statutory Power of Sale;

d) Exercise all of the remedies of a secured party under the Uniform Commercial Code as now in effect in the State of Maine, and such further remedies as may from time to time hereafter be provided in Maine for a secured party. Grantor agrees that all rights of Grantee as to Personal Property Collateral and as to the Premises, and rights and interest appurtenant thereto, may be exercised together or separately and in such order as the Grantee may elect. Grantor further agrees that in exercising its power of sale as to the Personal Property Collateral and rights and interest appurtenant thereto, the Grantee may sell such Personal Property Collateral or any part thereof, either separately from or together with the said Premises, and rights and interests appurtenant thereto, or any part thereof, all as the Grantee may in its discretion elect. In particular, the Grantee may proceed to enforce rights against, seek the replevin of, and/or sell Personal Property Collateral prior to or during the pendency of any real estate foreclosure proceeding, redemption period, or foreclosure sale without waiving any such foreclosure;

e) Enter upon and take possession of the Premises and Personal Property Collateral or any part thereof and exclude the Grantor, its agents, managers and servants, and to perform any acts Grantee deems necessary or proper to conserve the security, and to collect and receive all rents, security deposits, profits, revenues, proceeds and profits thereof, including those past due as well as those accruing thereafter, and use, manage, operate and control the Premises and Personal Property Collateral, and Grantee shall be entitled to have a receiver appointed to enter and take possession of the Premises and Personal Property Collateral, collect the rents, security deposits, proceeds and profits therefrom and apply the same as the court may direct. The expense (including receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be added to the Obligations secured hereby. Grantee shall (after payment of all costs and expen- ses incurred) apply such rents, issues and profits received by it on the Obligations in such order as Grantee determines; and Grantor agrees that exercise of such rights and disposition of such funds shall not constitute a waiver of any foreclosure once commenced nor preclude the later commencement of foreclosure for breach hereof. The right to enter and take possession of said property and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independent thereof. Grantee shall be liable to account only for such rents, security deposits, proceeds and profits as are actually received by Grantee;

f) Sell or otherwise dispose of the Premises and Personal Property Collateral (in its then condition or after repair, further construction and/or preparation thereof, utilizing in connection therewith any of Grantor's assets, without charge or liability to Grantee therefor) at foreclosure sale (which sale Grantee may postpone from time to time to the extent permitted by law), all as Grantee deems advisable, for cash or credit; provided, however, that Grantor shall be credited with the net proceeds of such sale only when such proceeds are finally collected by Grantee and the Grantor shall pay any deficiency on demand. Grantee may become the purchaser at any such sale and Grantee may, in lieu of actual payment of the purchase price, offset the amount thereof against the Obligations;

g) Use or transfer, without charge or liability to Grantee therefor, any of Grantor's surveys, engineering plans, and other real estate related documentation, licenses or permits in advertising for sale and selling of the Premises and Personal Property Collateral;

h) Grantor recognizes that in the event Grantor defaults, no remedy of law will provide adequate relief to Grantee, and therefore Grantor agrees that Grantee shall be entitled to temporary and permanent injunctive relief to cure any such Default without the necessity of proving actual damages.

All of Grantee's aforesaid rights and remedies are cumulative and non-exclusive.

17. Expenses. The Grantor shall pay to or reimburse the Grantee on demand and as a part of the Obligations secured hereby any and all expenses, including without limitation reasonable counsel fees and expenses, incurred or paid by the Grantee in connection with the preparation, execution, administration, interpretation, review, preservation, collection or enforcement of this Mortgage Deed and Security Agreement, the Loan Documents, the Premises and Personal Property Collateral or the Obligations. Such expenses to be paid or reimbursed include without limitation those incurred in the preparation for (whether commenced or not), or the conduct of, any litigation, contest, dispute, suit or proceeding (whether initiated by Grantee, Grantor or any other party) to protect, collect, enforce, sell, take possession of or liquidate any of the Premises and Personal Property Collateral, to enforce any rights of Grantee against Grantor or against any other person, and those expenses incurred by Grantee in defending, settling or satisfying any claim, action or demand asserted by any person or entity, including any receiver, trustee, creditor's committee or debtor-in-possession in any bankruptcy or reorganization, any assignee or assignee-for-the-benefit-of-creditors, creditor, or by any other person, whether in connection with the Grantor, the Obligations or any documents, transaction or Collateral related thereto, and whether relating to any alleged theory of preference, fraudulent conveyance, subordination, usury, ultra vires, invalidity, interference, control, misrepresentation, conspiracy, or similar theory, or otherwise.

18. Advances to Protect Security. At its option, and without limiting any other right or remedy, Grantee may pay or discharge taxes, liens, security interests or other encumbrances at any time levied against or placed on the

Premises or Personal Property Collateral, and may procure and pay any premiums on any insurance policy covering the Premises or Personal Property Collateral or any risks related thereto, or provide for the maintenance and preservation of any of the Premises of Personal Property Collateral, and add the expense thereof to the Obligations secured hereby. Any and all such amounts, costs or expenses paid or incurred by Grantee, shall be added to the Obligations secured hereby as advances to preserve Grantee's security and shall bear interest from the date of payment by Grantee therefor at the highest rate of interest payable pursuant to any instrument or other evidence of indebtedness secured hereby, as the same may vary, or if none, then at the rate of interest applicable to judgments or courts of the State of Maine pursuant to Title 14 Maine Revised Statutes Section 1602-A, as the same may be amended.

19. Waivers. The Grantee may exercise its rights against the Premises and Personal Property Collateral without resort or regard to any other collateral or sources of reimbursement for liability. The Grantee shall not be deemed to have waived any of its rights under or against this Mortgage or any other of the Loan Documents or otherwise unless such waiver be in writing and signed by the Grantee. Grantee's failure to require strict performance of the terms, covenants and agreements of this Mortgage or any other of the Loan Documents, or any delay or omission on the part of the Grantee in exercising any right, or any acceptance of partial or inadequate payment or performance shall not waive, affect or diminish such right or Grantor's duty of compliance and performance therewith. A waiver on any one occasion shall not be construed as a bar to or waiver of the same or any other right on the same or any future occasion. All rights and remedies of the Grantee under this Mortgage or any other of the Loan Documents shall be cumulative and may be exercised singularly or concurrently. Any note which this Mortgage may secure is a separate instrument and may be negotiated, extended or renewed by the Grantee without releasing the Grantor or any guarantor or co-maker.

20. Application of Payment. Grantor irrevocably waives the right to direct the application of any and all payments at any time or times hereafter received by Grantee from Grantor, or from any other source, and Grantor does hereby irrevocably agree that Grantee shall have the continuing exclusive right to apply and reapply any and all payments received at any time or times hereafter against the Obligations hereunder in such manner as Grantee may deem advisable.

21. Section Titles. The section titles contained in this Mortgage are for convenience only and shall not affect the construction or meaning of this Mortgage.

22. Miscellaneous.

a) Wherever in this Mortgage there is reference made to any of the parties hereto, such reference shall be deemed to include, wherever applicable, a reference to the successors, heirs and assigns of such party. The provisions of this Mortgage shall be binding upon and shall inure to the benefit of the successors, legal and personal representatives, heirs and assigns of Grantor and Bank. Wherever used, the singular shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders, as the context or the identity of the Grantor may require. All Obligations of multiple Grantors shall be joint and several.

b) All representations and warranties of Grantor, and all conditions precedent to be performed by Grantor as set forth in the Loan Documents shall be true and satisfied at the time of the execution of this Mortgage, and shall survive the closing hereof and the execution and delivery of this Mortgage.

c) This Mortgage shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. Wherever possible each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provisions of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

d) This Mortgage may not be altered or amended except by an agreement in writing signed by both Grantor and Bank.

e) This Mortgage shall take effect as a sealed instrument.

IN WITNESS WHEREOF, the said IMMUCELL CORPORATION has caused this instrument to be signed in its corporate name, intending this instrument to take effect as if under seal, by Michael F. Brigham its CFO & Treasurer thereunto duly authorized this 3 day of November, 1993.

SIGNED, SEALED AND DELIVERED
In The Presence Of:

____

IMMUCELL CORPORATION, a
Delaware Corporation

By: _______________________________
~~CFO~~ Michael F. Brigham its
CFO & Treasurer

STATE OF MAINE
CUMBERLAND, SS.

Nov 3, 1993

Personally appeared the above-named MICHAEL F. BRIGHAM, CFO + TREASURER of said IMMUCELL CORPORATION and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said IMMUCELL CORPORATION.

Before me,

Notary Public/Attorney-at-Law
Name: CHRISTOPHER NEAGLE

4450.1/16T
39030/93123
11/03/93

SCHEDULE A

A certain lot or parcel of land, together with the buildings and improvements thereon, located on the northeast side of Evergreen Drive in the City of Portland, County of Cumberland and State of Maine, further described as follows:

Lot 3, as shown on a plan named "Evergreen Industrial Park", dated November 2, 1984 and prepared by Land Use Consultants, and recorded in the Cumberland County Registry of Deeds in Plan Book 146, Page 57, to which plan reference is hereby made for a more particular description of Lot 3, which is further described as follows:

Beginning at an iron bar set on the southwest boundary of land conveyed to Robert Mitchell Co., Inc. by deed recorded in Book 4806, Page 108, which iron bar is located S 41' 04' 09" E and 435 feet from an iron bar set at the assumed southeast side of Riverside Street and west corner of the land of Mitchell;

Thence S 41' 04' 09" E, along the land of Mitchell, 278.01 feet to an iron bar at the north corner of Lot 4 on the plan described above;

Thence S 52' 30' W, along Lot 4 and other land of the Grantor, 244.35 feet to an iron bar on the northeast side of Evergreen Drive;

Thence northwest along Evergreen Drive on a curve to the left having a radius of 425 feet, an arc distance of 200 feet to an iron bar at the south corner of Lot 2;

Thence N 35' 16' 35" E, along Lot 2, 287.01 feet to the iron bar at the point of beginning.

Containing 1.39 acres, more or less, as shown on the subdivision plan described above.

SUBJECT HOWEVER, to the following:

1. Drainage and sewer easement given to the City of Portland dated March 10, 1968 and recorded in Book 7103, Page 202.

2. Utility pole easement given to Central Maine Power Company and New England Telephone and Telegraph Company dated September 16, 1987 and recorded in Book 8352, Page 305.

3. Thirty foot wide private drainage easement along the northeast side of Lot 3 as shown on the plan described above.

Meaning and intending to convey, and hereby conveying, the same premises conveyed to the Grantor herein by Deed of Passive Power Products, Inc. by Deed of even or recent date recorded in the Cumberland County Registry of Deeds.

4450.18T

60570

PAID
7-3-02

CONFIDENTIAL

PEOPLES HERITAGE BANK
NOTE

$480,000 May 6, 1998

FOR VALUE RECEIVED, the undersigned Maker promises to pay to the order of PEOPLES HERITAGE BANK the principal sum of Four Hundred Eighty Thousand Dollars ($480,000) (or so much thereof as may be advanced from time to time) together with interest thereon:

- for the initial five (5) year portion of the term hereof at a fixed interest rate of Eight and One-Half Percent (8.5%) per annum; *and thereafter*
- at a fixed rate of interest equal to the Lender's cost, as of the date five (5) years from the date hereof, of borrowing funds from the Federal Home Loan Bank, plus Three Percent (3%) per annum.

Equal consecutive monthly payments of principal and interest in the amount of Four Thousand Seven Hundred Sixty-One Dollars and Sixty-Nine Cents ($4,761.69) each, shall be payable, commencing on June 6, 1998 and continuing on the same day of each month thereafter until May 6, 2008 ("Maturity Date"), when all Amounts Owing Hereunder shall be due and payable in full. Lender reserves the right to adjust the amount of the monthly principal and interest payments, at the time of the interest rate adjustment, to reflect the change in interest rate, if any, and to generally preserve a hypothetical fifteen (15) year amortization schedule commencing on the date hereof, provided, however, that this shall not be deemed to extend the Maturity Date.

DEFINITIONS. As used herein the following terms shall have the meanings assigned:

a. "Amounts Owing Hereunder" shall mean the entire outstanding principal balance of this Note; all accrued, unpaid interest; and all charges and expenses payable by the Maker to Lender under the Loan Documents, including, without limitation, all unpaid Prepayment Fees, Late Payment Fees and Default Interest, if any.

b. "Lender" shall mean PEOPLES HERITAGE BANK, its successors and assigns, including any subsequent holder hereof.

c. "Loan Document(s)" shall mean this Note, any other debt instrument of the Maker held by Lender, and all other agreements, documents or writings evidencing, governing or securing the indebtedness and obligations of the Maker to Lender, including, without limitation, all guaranties and security therefor.

d. "Maker" shall mean IMMUCELL CORPORATION, a Delaware corporation.

e. "Parties Liable Herefor" shall mean the Maker and any guarantor, indorser, accommodation party or other surety hereafter arising. All undertakings and obligations of Parties Liable Herefor shall be joint and several.

PREPAYMENT PREMIUM. All unscheduled partial or full prepayments of principal hereunder are subject to the obligation of all Parties Liable Herefor to pay to the holder hereof a prepayment premium in the amount of Five Percent (5%) of the principal amount prepaid during the first year of the term hereof, Four Percent (4%) of the principal amount prepaid during the second year of the term hereof, Three Percent (3%) of the principal amount prepaid during the third year of the term hereof, Two Percent (2%) of the principal amount prepaid during the remainder of the term hereof . All prepayment premiums hereunder shall be due and payable to Lender in all cases of prepayment, whether voluntary or involuntary, including, without limitation, any prepayment arising in connection with the refinancing of this Note whether by Lender or any other party, and whether or not the result of default or acceleration, or collection or enforcement activities of Lender. The Maker hereby acknowledges and agrees that the prepayment premium is neither a penalty nor a form of liquidated damages, but is rather a negotiated element of the borrowing contract entered into herein by the Maker, as a necessary inducement to Lender to make the loan evidenced by this Note. *Notwithstanding the foregoing*, no prepayment premium shall be payable as a result of prepayment in connection with a bona fide, arm's-length sale, to an unrelated party, of premises of the Maker at 56 Evergreen Drive, Portland, Maine.

LATE PAYMENT FEE. If any agreed payment is not received within fifteen (15) days of when due, then all Parties Liable Herefor shall be liable to Lender for a late payment fee of Six Percent (6.0%) of the total amount of such delinquent payment, to be assessed at the option of Lender at any time while any balance remains outstanding hereunder.

DEFAULT INTEREST RATE. Lender shall have the right to charge interest on the unpaid principal balance hereof at an interest rate Three Percent (3%) per annum in excess of the rate of interest otherwise payable as provided herein, for any period during which any Party Liable Herefor shall be in default under any material provision of any Loan Document. In the event of default followed by collection and enforcement activity by Lender, the Default Interest Rate shall accrue and be payable until actual payment and satisfaction of all Amounts Owing Hereunder.

360-DAY YEAR. All interest hereunder shall be computed on the basis of the actual number of days elapsed over a 360-day year.

All payments due hereunder shall be payable to PEOPLES HERITAGE BANK at any of its offices, or to such other parties or addresses as Lender may from time to time designate in writing. After the date of this Note, if future advances are made to the Maker under this Note, such advances shall be added to the principal balance due hereunder, shall bear interest as provided in this Note, and shall be governed by all of the terms of this Note.

This Note and any extensions, renewals, refinances hereof and substitutions herefor shall be deemed to be secured by the terms of any mortgages or other security documents now held by, or in the future to be granted to, Lender, whether from the Maker or any other Party Liable Herefor, and whether or not such security is described below. Lender shall have the right, without notice, to reduce to possession and to set-off against any and all obligations and liabilities of the Maker any account, deposit or other property of the Maker coming into Lender's possession, or any other claim of the Maker against Lender.

This Note and all Amounts Owing Hereunder shall become immediately due and payable, without notice or demand, if a default be made in the obligation to make any required payment of principal and/or interest which continues for fifteen (15) days beyond its due date. This Note and all Amounts Owing Hereunder shall also become due and payable, subject to a fifteen (15) day written notice and cure period, if default be made in the performance of any other obligation referred to in this Note or in any Loan Document or upon the occurrence of any of the following to or by any Party Liable Herefor: death; dissolution; complete or partial liquidation; transfer of a sufficient amount of voting stock such that control is transferred (if any such party is a corporation); transfer of a controlling interest (if any such party is a partnership or limited liability company); suspension of business; termination of existence; insolvency; the appointment of or taking possession by a receiver, trustee, assignee, bailee, creditor, or other custodian of substantially all property; commencement of any kind of insolvency, dissolution or bankruptcy proceeding; attachment, trustee process, lien, levy or similar action (collectively a "Lien") against any sums credited by or due from Lender to any such parties; the transfer of substantial assets to third parties out of the ordinary course of business; default in the Maker's obligations to Lender or to any other institutional lender on any debt instrument or documentation governing or securing such debt instrument; or if Lender in good faith deems itself insecure because the prospect of repayment, or the value of any collateral, or the priority of any of the Loan Documents is impaired. Notwithstanding the foregoing there shall be a sixty (60) day grace period for any Party Liable Herefor to obtain dismissal of an involuntary bankruptcy or insolvency proceeding, and a thirty (30) day grace period for any Party Liable Herefor to obtain dismissal of any Lien, by bond or otherwise, provided that Lender shall have the right during such grace periods to take all actions and enforce all rights and remedies which Lender deems necessary or convenient to protect its interests. Any notice required hereunder shall be effective on mailing, by first class mail postage prepaid, to Maker at Maker's last known address.

All Parties Liable Herefor acknowledge and agree that Lender may sell or transfer any or all of the Loan Documents, with or without consideration, to a purchaser, whether in a recognized commercial loan secondary market or otherwise, and thereupon all obligations of Lender to the Parties Liable Herefor, if any, shall cease.

Delay or failure on the part of Lender in exercising any rights hereunder shall not operate as a waiver of these or any other rights under this Note. After the due date, or acceleration or demand of all Amounts Owing Hereunder, the acceptance by Lender of any payment representing less than the total balance of all Amounts Owing Hereunder shall not constitute a waiver or relinquishment of Lender's right to full and immediate payment of all remaining Amounts Owing Hereunder.

All Parties Liable Herefor agree to pay, upon demand, all expenses of any nature, whenever incurred, whether incurred in or out of court, including but not limited to reasonable attorney's fees and costs, which Lender may deem necessary or proper in connection with the collection or satisfaction of the indebtedness, or the administration, supervision, preservation, protection or realization of the Loan Documents or any collateral. Lender is authorized, but not required, to pay at any time and from time to time any or all of such expenses, add the amount of such payment to the amount of the principal indebtedness hereunder and charge interest thereon at the rate specified herein.

All Parties Liable Herefor hereby waive demand, presentment, notice of dishonor and protest. This Note shall take effect as if under seal. This Note evidences a loan for business and/or commercial purposes.

All Parties Liable Herefor assent to its terms and consent to any and all modifications, extensions or indulgences, to any substitution, exchange or release of collateral and/or to the addition or release of any other party or person primarily or secondarily liable, all without notice, and generally defer all suretyship rights and defenses while any sums remain outstanding hereunder. Each Party Liable Herefor waives all rights of exoneration against any other Party Liable Herefor, and defers all rights of reimbursement, contribution, and subrogation against any other Party Liable Herefor, while any sums remain outstanding hereunder.

All Parties Liable Herefor submit to the jurisdiction of the courts of the State of Maine and of the United States of America located within the State of Maine, in connection with any suit or proceeding arising hereunder or under any Loan Document.

This Note is secured by a Mortgage on premises at 56 Evergreen Drive, Portland (Lot #3, Evergreen Industrial Park), and by an assignment of leases and a security interest in fixtures and equipment related to the premises.

WITNESS:

____

IMMUCELL CORPORATION

By: ______________________
Michael F. Brigham, Chief Financial Officer and Treasurer

Immgend.Doc
05/05/98 9:29 AM

ImmuCell

September 18, 2002

City of Portland
Site Plan Review
Re: ImmuCell Corporation

To Whom It May Concern:

I am writing at the request of our architects, Harriman Associates, to state that ImmuCell Corporation has the financial commitment to complete the 2,000 square foot addition to our facility that is currently under review. I have attached our financial statements as of June 30, 2002 and December 31, 2001 as evidence of the sufficiency of our cash position. We are a profitable company and are cash flow positive.

Please do not hesitate to contact me with any further questions regarding this matter.

Regards,

Michael F. Brigham
President and CEO

ImmuCell Corporation

56 Evergreen Drive, Portland, Maine 04103
Telephone (207) 878-2770 • Telefax (207) 878-2117
www.ImmuCell.com

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

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2002

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

0-15507
Commission file number

IMMUCELL CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE	01-0382980
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

56 Evergreen Drive
Portland, ME 04103

(Address of principal executive office and zip code)

(207) 878-2770

(Registrant's telephone number, including area code)

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

Class of Securities:	Outstanding at August 13, 2002:
Common Stock, par value $.10 per share	2,735,984

IMMUCELL CORPORATION

INDEX TO FORM 10-Q
June 30, 2002

IMMUCELL CORPORATION

PART 1. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

ASSETS
(Unaudited)

	December 31, 2001	June 30, 2002
CURRENT ASSETS:		
Cash and cash equivalents	$1,883,090	$1,299,280
Short-term investments	--	489,145
Accounts receivable, net of allowance for doubtful accounts of $38,000 at December 31, 2001 and June 30, 2002	974,383	741,198
Inventories	533,864	764,070
Current portion of deferred tax asset	78,650	78,650
Prepaid expenses	37,103	165,658
Total current assets	3,507,090	3,538,001
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Laboratory and manufacturing equipment	1,326,111	1,273,366
Building and improvements	1,270,551	1,300,137
Office furniture and equipment	105,116	89,984
Land	50,000	50,000
	2,751,778	2,713,487
Less - accumulated depreciation	1,067,538	1,046,539
Net property, plant and equipment	1,684,240	1,666,948
DEFERRED TAX ASSET	1,616,416	1,515,780
PRODUCT RIGHTS AND OTHER ASSETS, net of amortization of $61,000 and $81,000 at December 31, 2001 and June 30, 2002, respectively	309,471	289,208
TOTAL ASSETS	$7,117,217	$7,009,937

The accompanying notes are an integral part of the financial statements.

IMMUCELL CORPORATION

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY
(Unaudited)

	December 31, 2001	June 30, 2002
CURRENT LIABILITIES:		
Accounts payable	$ 171,260	$ 294,777
Accrued expenses	256,575	228,077
Deferred revenue	114,280	72,280
Current portion of long-term debt	22,317	--
Total current liabilities	564,432	595,134
LONG-TERM LIABILITIES:		
Long-term debt	391,861	--
Long-term portion of deferred revenue	115,270	200,000
Total long-term liabilities	507,131	200,000
STOCKHOLDERS' EQUITY:		
Common stock, Par value-$.10 per share Authorized-8,000,000 shares Issued-3,115,082 shares at December 31, 2001 and 3,125,582 shares at June 30, 2002	311,508	312,558
Capital in excess of par value	8,913,981	8,935,649
Accumulated deficit	(2,593,100)	(2,446,669)
Treasury stock, at cost -- 389,598 shares	(586,735)	(586,735)
Total stockholders' equity	6,045,654	6,214,803
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$7,117,217	$7,009,937

The accompanying notes are an integral part of the financial statements.

IMMUCELL CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2001 AND 2002
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2002	2001	2002
REVENUES:				
Product sales	$1,767,571	$1,401,860	$3,237,848	$3,180,518
Grant income	32,627	121,223	41,199	190,260
Royalty income	22,865	5,423	28,149	25,767
Technology licensing income	13,635	13,635	18,180	27,270
Sale of option to technology	--	15,000	--	30,000
Total revenues	1,836,698	1,557,141	3,325,376	3,453,815
COSTS AND EXPENSES:				
Product costs	929,833	843,241	1,621,818	1,704,956
Research and development expenses	251,926	217,110	416,597	416,663
Sales and marketing expenses	336,761	383,765	657,525	774,727
General and administrative expenses	149,838	143,546	282,653	299,762
Total costs and expenses	1,668,358	1,587,662	2,978,593	3,196,108
Net operating income (loss)	168,340	(30,521)	346,783	257,707
Interest and other income	16,226	6,845	40,120	14,259
Interest expense	(9,158)	(10,982)	(18,325)	(19,707)
Net interest and other income (expense)	7,068	(4,137)	21,795	(5,448)
INCOME (LOSS) BEFORE TAXES	175,408	(34,658)	368,578	252,259
TAX EXPENSE (BENEFIT)	69,977	(12,034)	147,040	105,828
NET INCOME (LOSS)	$ 105,431	$ (22,624)	$ 221,538	$ 146,431
NET INCOME (LOSS) PER COMMON SHARE:				
Basic	$ 0.04	$ (0.01)	$ 0.08	$ 0.05
Diluted	$ 0.04	$ (0.01)	$ 0.08	$ 0.05
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	2,715,184	2,735,984	2,714,770	2,734,998
Diluted	2,823,720	2,735,984	2,818,989	2,809,248

The accompanying notes are an integral part of the financial statements.

IMMUCELL CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2001 AND 2002
(Unaudited)

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 221,538	$ 146,431
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	68,631	113,684
Deferred income taxes	147,040	100,636
Changes in:		
Accounts receivable	(148,054)	233,185
Inventories	(98,323)	(230,206)
Prepaid expenses	(64,455)	(128,555)
Accounts payable	119,533	123,517
Accrued expenses	8,861	(28,498)
Deferred revenue	26,820	42,730
Net cash provided by operating activities	281,591	372,924
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(658,383)	(76,129)
Increase in short-term investments	--	(489,145)
Acquisition of product rights	(84,585)	--
Net cash used for investing activities	(742,968)	(565,274)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	52,345	22,718
Payments of debt obligations	(10,071)	(414,178)
Net cash provided by (used for) financing activities	42,274	(391,460)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(419,103)	(583,810)
BEGINNING CASH AND CASH EQUIVALENTS	1,895,149	1,883,090
ENDING CASH AND CASH EQUIVALENTS	$ 1,476,046	$ 1,299,280

The accompanying notes are an integral part of the financial statements.

IMMUCELL CORPORATION

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(1) Basis of Presentation

The accompanying financial statements have been prepared by ImmuCell Corporation (the "Company") without audit, and reflect the adjustments, all of which are of a normal recurring nature, that are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. Certain information and footnote disclosures normally included in the annual financial statements which are prepared in accordance with generally accepted accounting principles have been condensed or omitted. Accordingly, the Company believes that although the disclosures are adequate to make the information presented not misleading, these financial statements should be read in conjunction with the financial statements and the notes to the financial statements as of December 31, 2001, contained in the Company's Annual Report to shareholders on Form 10-K as filed with the Securities and Exchange Commission.

The consolidated financial statements of the Company include the accounts of the Company and its wholly-owned subsidiary, the Kamar Marketing Group, Inc. All intercompany accounts and transactions have been eliminated in consolidation.

(2) Short-term Investments

Short-term investments are comprised principally of certificates of deposits with original maturities ranging from three to twelve months in amounts that are within Federal Deposit Insurance Corporation ("FDIC") limits at financial institutions that are insured by the FDIC.

(3) Inventories

Inventories consist of the following:

	December 31, 2001	June 30, 2002
Raw materials	$ 223,826	$ 211,538
Work-in-process	245,943	450,745
Finished goods	64,095	101,787
	$ 533,864	$ 764,070

(4) Debt Obligations

The Company had long-term debt obligations, net of current maturities, as follows:

	December 31, 2001	June 30, 2002
8.62% Bank mortgage, collateralized by first security interest in building, due 2001 to 2003	$ 414,178	$ --
Less current portion	22,317	--
Long-term debt	$ 391,861	$ --

The mortgage, which was entered into in May 1998, had a 15 year amortization schedule with interest payable at the fixed rate of 8.62% per year for the first five years. In May 2002, the Company utilized approximately $405,000 in available cash to repay the then outstanding balance of this loan.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(5) Income Taxes

The Company accounts for income taxes in accordance with Financial Accounting Standards Board Statement No. 109. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company recorded non-cash tax expense (benefit) of $70,000 and ($14,000) during the three month periods ended June 30, 2001 and 2002, respectively, and of $147,000 and $101,000 during the six month periods ended June 30, 2001 and 2002, respectively. The total tax expense (benefit) aggregated $70,000 and ($12,000) for the three month periods ended June 30, 2001 and 2002, respectively, and $147,000 and $106,000 for the six month periods ended June 30, 2001 and 2002, respectively. For federal and state income tax purposes, the Company had remaining net operating loss carryforwards of approximately $3,297,000 as of December 31, 2001, expiring from 2003 to 2018, that are available to offset future taxable income.

(6) Net Income (Loss) per Common Share

The basic net income per share of common stock is determined by dividing the net income by the weighted average number of shares of common stock outstanding during the period. There were 324,372 common stock equivalents outstanding that were not included in the calculation of the diluted net loss per share for the three month period ended June 30, 2002, as the effect would be antidilutive, thereby decreasing the net loss per common share. The diluted net income per share reflects the potential dilution that would occur if existing stock options were exercised in accordance with the schedule below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2002	2001	2002
Weighted average number of shares outstanding during the period	2,715,184	2,735,984	2,714,770	2,734,998
Dilutive stock options, net	108,536	--	104,219	74,250
Diluted number of shares outstanding during the period	2,823,720	2,735,984	2,818,989	2,809,248
Outstanding options not included in the calculation because the options' exercise prices were greater than the average market price during the period	321,000	304,000	321,000	304,000

(7) Segment and Significant Customer Information

The Company principally operates in the business segment described in Note 1 to its Annual Report on Form 10-K for the year ended December 31, 2001. The Company's primary customers for the majority (68% and 59% for the three month periods ended June 30, 2001 and 2002, respectively) of its product sales are in the United States dairy and beef industry. Sales to these primary customers amounted to 72% and 68% of product sales during the six month periods ended June 30, 2001 and 2002, respectively. Sales to foreign customers, who are principally in the dairy industry, aggregated 31% and 41% of product sales for the three month periods ended June 30, 2001 and 2002, respectively. Sales to these foreign customers amounted to 26% and 32% of product sales during the six month periods ended June 30, 2001 and 2002, respectively.

Pursuant to Statement of Financial Accounting Standards No. 131, the Company's two reportable segments are: (1) Animal Health Products and (2) Research and Development ("R&D"). The accounting policies of the segments are the same as those described in Note 2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001. The Company evaluates the performance of its segments and allocates resources to them based on contribution before allocation of corporate overhead charges. The "Other" category consists of sales of non-animal health products, royalty income, general and administative expenses, net interest and taxes. The table below presents information about reported segments for the three and six month periods ended June 30, 2001 and 2002:

IMMUCELL CORPORATION

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Three Months Ended June 30, 2001: (in thousands)	Animal Health Products	R&D	Other	Total
Product sales	$1,729	--	$ 39	$1,768
Grant income	--	$ 33	--	33
Royalty income	--	--	23	23
Technology licensing income	--	13	--	13
Total revenues	1,729	46	62	1,837
Product costs	913	--	17	930
Research and development expenses	--	252	--	252
Sales and marketing expenses	337	--	--	337
General and administrative and other expenses, net	--	--	143	143
Income (loss) before taxes	479	(206)	(98)	175
Tax expense	--	--	70	70
Net income (loss)	$ 479	$ (206)	$ (168)	$ 105

Three Months Ended June 30, 2002: (in thousands)	Animal Health Products	R&D	Other	Total
Product sales	$1,398	--	$ 4	$1,402
Grant income	--	$ 121	--	121
Royalty income	--	--	5	5
Technology licensing income	--	14	--	14
Sale of option to technology	--	--	15	15
Total revenues	1,398	135	24	1,557
Product costs	842	--	1	843
Research and development expenses	--	217	--	217
Sales and marketing expenses	384	--	--	384
General and administrative and other expenses, net	--	--	148	148
Income (loss) before taxes	172	(82)	(125)	(35)
Tax benefit	--	--	(12)	(12)
Net income (loss)	$ 172	$ (82)	$ (113)	$ (23)

Six Months Ended June 30, 2001: (in thousands)	Animal Health Products	R&D	Other	Total
Product sales	$3,155	--	$ 83	$3,238
Grant income	--	$ 41	--	41
Royalty income	--	--	28	28
Technology licensing income	--	18	--	18
Total revenues	3,155	59	111	3,325
Product costs	1,579	--	42	1,621
Research and development expenses	--	417	--	417
Sales and marketing expenses	658	--	--	658
General and administrative and other expenses, net	--	--	260	260
Income (loss) before taxes	918	(358)	(191)	369
Tax expense	--	--	147	147
Net income (loss)	$ 918	$ (358)	$ (338)	$ 222

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Six Months Ended June 30, 2002: (in thousands)	Animal Health Products	R&D	Other	Total
Product sales	$3,169	--	$ 12	$3,181
Grant income	--	$ 190	--	190
Royalty income	--	--	26	26
Technology licensing income	--	27	--	27
Sale of option to technology	--	--	30	30
Total revenues	3,169	217	68	3,454
Product costs	1,699	--	6	1,705
Research and development expenses	--	417	--	417
Sales and marketing expenses	775	--	--	775
General and administrative and other expenses, net	--	--	305	305
Income (loss) before taxes	695	(200)	(243)	252
Tax expense	--	--	106	106
Net income (loss)	$ 695	$ (200)	$ (349)	$ 146

PART I. FINANCIAL INFORMATION (Continued)
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2002

Product sales decreased by 21%, or $366,000, to $1,402,000 during the three month period ended June 30, 2002, in comparison to the same period in the prior year. Sales decreased by 1.8%, or $57,000, to $3,181,000 during the six month period ended June 30, 2002. Sales of **First Defense®** are normally seasonal with lower sales expected in the late spring and summer months. Higher than expected sales in the second quarter of 2001 were influenced by the backlog of orders for **First Defense** that aggregated approximately $1,000,000 as of June 30, 2001. The Company completed a facility addition in May 2001 to increase its production capacity and eliminated the backlog of orders as of December 31, 2001. Combined sales of **First Defense** and the **Kamar® Heatmount® Detector** decreased by 22% during the three month period ended June 30, 2002, as compared to the same period in 2001. Combined sales of these two products decreased by 1% during the six month period ended June 30, 2002. Sales of **First Defense** and the **Kamar Heatmount Detector** aggregated 90% and 88% of total product sales during the three month periods ended June 30, 2001 and 2002, respectively, and 90% of total product sales during the six month periods ended June 30, 2001 and 2002. In September 2000, the Company entered into a one year extension to the term of its product license from Kamar, Inc. covering the exclusive distribution of the **Kamar Heatmount Detector** from December 31, 2003 through December 31, 2004. Under the amended license, the Company agreed to increase the royalty paid to Kamar in return for a reduction in the Company's obligation to fund certain marketing expenses in support of the product that will instead be funded by Kamar. The license was also amended so that Kamar no longer has the right to terminate without cause before expiration of the term. Sales of **Wipe Out® Dairy Wipes** comprise the third most significant component of the product sales mix on a dollar basis.

Total revenues decreased by 15%, or $280,000, to $1,557,000 during the three month period ended June 30, 2002 in comparison to the same period in the prior year. Total revenues increased by 4%, or $128,000, to $3,454,000 during the six month period ended June 30, 2002. Grant income increased by $89,000 to $121,000 during the three month period ended June 30, 2002 in comparison to the same period in 2001. Grant income increased by $149,000 to $190,000 during the six month period ended June 30, 2002. Approximately 62% and 68% of the grant income during the three and six month periods ended June 30, 2002, respectively, was earned in support of the **Mast Out™** product development effort. Royalty income is earned on the sale of whey protein isolate by a licensee utilizing the Company's milk protein purification technology. Technology licensing income is being earned under a license to certain nutritional rights to the Company's **DiffGAM** technology. The sale of an option to technology represents an option the Company sold to a third party allowing them the right to acquire the Company's interest in its joint venture, AgriCell Company, LLC, on or before March 31, 2003.

PART I. FINANCIAL INFORMATION (Continued)
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

As of June 30, 2002, the Company had recorded $272,000 in deferred revenue under three agreements for which cash has been received but a portion of the revenue recognition has been deferred to future periods. First, $200,000 had been received as of June 30, 2002 under a research grant from the State of Maine. Because of the contingent pay back obligation in connection with this grant, the funding is being recorded as deferred revenue as the cash is received by the Company, and no income is being recognized to match the development expenses as they are incurred. There is no pay back obligation in the event that a product is not commercialized. In such event, the deferred revenue would be recognized at the time the product development effort is discontinued. Second, the $100,000 in technology licensing fees pertaining to the license of certain **DiffGAM** rights is being recognized over the twenty-two month period ending December 2002, which represents the period during which the Company agreed to supply clinical material to the licensee at a discount. Third, the $100,000 sale of an option to technology allowing an outside party to acquire the Company's joint venture, AgriCell Company LLC, is being recognized over the twenty month option period ending March 2003.

Gross margin as a percentage of product sales was 47% and 40% during the three month periods ended June 30, 2001 and 2002, respectively. Gross margin as a percentage of product sales was 50% and 46% during the six month periods ended June 30, 2001 and 2002, respectively. Changes in the gross margin percentage reflect changes in the product sales mix. The gross margin decreased by 33%, or $279,000, to $559,000 during the three month period ended June 30, 2002, as compared to the same period in 2001. The gross margin decreased by 9%, or $140,000, to $1,476,000 during the six month period ended June 30, 2002. At this stage in its development, the Company's primary objective is increasing product sales. The ratio of gross margin to product sales may decline modestly as the Company works to achieve efficiencies in its cost of goods sold over time. The Company experiences a better gross margin from products that it has developed, such as **First Defense®**, and a lower gross margin from licensed-in, acquired and new products.

Research and development expenses decreased by 14%, or $35,000, to $217,000 during the three month period ended June 30, 2002, as compared to the same period in 2001. Research and development expenses were almost unchanged for the six month period ended June 30, 2002 in comparison to the same period in 2001. Research and development expenses aggregated 14% of total revenues during the three month periods ended June 30, 2001 and 2002. Research and development expenses aggregated 13% and 12% of total revenues during the six month periods ended June 30, 2001 and 2002, respectively. Research and development expenses exceeded grant and technology licensing income by $206,000 (which net amount equals 12% of product sales) and by $82,000 (which net amount equals 6% of product sales) during the three month periods ended June 30, 2001 and 2002, respectively. Research and development expenses exceeded grant and technology licensing income by $357,000 (which net amount equals 11% of product sales) and by $199,000 (which net amount equals 6% of product sales) during the six month periods ended June 30, 2001 and 2002, respectively. Since 1999, internal resources have been invested principally in the development of new animal health products that fit the Company's objective of commercializing its proprietary technologies and developing innovative and proprietary products that improve animal health and productivity in the dairy and beef industry. During the second quarter of 2000, the Company initiated the development of **Mast Out™**, a new product utilizing Nisin (the same natural, antimicrobial protein that is the active ingredient in **Wipe Out® Dairy Wipes**) as a non-antibiotic treatment for mastitis in dairy cows. The Company anticipates an increase in research and development expenses later in the year as the **Mast Out** development effort advances to the more expensive clinical trial stage.

Management believes that the expenses incurred from the investment in the research and development of new products are necessary to foster growth for the Company in the future. Beginning in 1999, the Company determined to increase its development of new animal health products and to decrease its internally funded research and development investment in products targeted towards the human health care markets. Because funding requirements for animal health programs are generally less than the requirements for human health programs, the Company anticipates continued profitable operations on an annual basis. The Company generally targets the investment of 10% to 13% of its product sales in research and development expenses, net of grant and technology licensing income. However, the costs associated with developing **Mast Out**, which is subject to the approval of the U.S. Food and Drug Administration, are significantly higher than other animal health products being developed by the Company. The Company may choose to enter into significant relationships with outside parties over the next two to three years in order to carry out some of the required product development. As this product is developed, several different one-time and non-recurring expenditures could temporarily impact the ability of the Company to achieve its expense rate targets and could even impact the achievement of some of its quarterly profitability objectives. Management believes that the market potential for **Mast Out** justifies such an investment.

PART I. FINANCIAL INFORMATION (Continued)
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

While the Company continues to focus its internally funded research and development efforts on products for the dairy and beef industry, it is still the Company's intent to realize some value from its past efforts outside of the animal health industry through collaborations with others. One such example is the March 2001 license agreement entered into with Novatreat Ltd of Turku, Finland covering certain **DiffGAM** rights for nutritional, risk reduction applications outside of North America. Another such example is the August 2001 option agreement under which the Company sold an option to DMV International Nutritionals of the Netherlands which allows DMV the right to buy the Company's 50% interest in its lactoferrin producing joint venture, AgriCell Company, LLC, until March 2003.

Sales and marketing expenses increased by 14%, or $47,000, to $384,000 during the three month period ended June 30, 2002 compared to the same period in 2001, aggregating 19% and 27% of product sales during the three month periods ended June 30, 2001 and 2002, respectively. Sales and marketing expenses increased by 18%, or $117,000, to $775,000 during the six month period ended June 30, 2002 compared to the same period in 2001, aggregating 20% and 24% of product sales during the six month periods in 2001 and 2002, respectively. It is the Company's objective to maintain this ratio reasonably close to 20% as it launches new products incurring sales and marketing expenses before significant product sales are achieved. The decrease in sales principally caused this ratio to increase in the second quarter of 2002, but management expects results to be closer to expectation for the full year. General and administrative expenses decreased by 4%, or $6,000, to $144,000 during the three month period ended June 30, 2002 compared to the same period in 2001. General and administrative expenses increased by 6%, or $17,000, to $300,000 during the six month period ended June 30, 2002. The Company continues its efforts to control these expenses while incurring all the necessary costs associated with being a publicly held company.

The income before taxes for the three months ended June 30, 2001 of $175,000 compares to a loss before taxes of $35,000 for the three months ended June 30, 2002. The net income for the three months ended June 30, 2001 of $105,000 ($0.04 per diluted share) compares to a net loss of $23,000 ($0.01 per diluted share) for the three months ended June 30, 2002. The income before taxes decreased by 32%, or $116,000, to $252,000 for the six month period ended June 30, 2002 compared to the same period in 2001. The net income decreased by 34%, or $75,000, to $146,000 ($0.05 per diluted share) for the six month period ended June 30, 2002, compared to $222,000 ($0.08 per diluted share) for the same period in 2001. The effective income tax rates were 40% and 42% for the six months ended June 30, 2001 and 2002, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash, cash equivalents and short-term investments decreased by $95,000 to $1,788,000 at June 30, 2002 from $1,883,000 at December 31, 2001. Total assets decreased by $107,000 to $7,010,000 at June 30, 2002 from $7,117,000 at December 31, 2001. Net working capital was almost unchanged at $2,943,000 at June 30, 2002 and December 31, 2001. Stockholders' equity increased by $169,000 to $6,215,000 at June 30, 2002 from $6,046,000 at December 31, 2001. In May 2002, the Company utilized approximately $405,000 in available cash to repay the then outstanding balance of its mortgage loan. The Company currently has no outstanding bank debt.

In March 2001, the Company received a two year grant award aggregating up to $400,000 from the Maine Technology Institute, a non-profit corporation created by the General Assembly of the State of Maine. The grant augments the Company's **Mast Out™** product development effort. Due to a contingent pay back obligation, the funding is being recorded as deferred revenue as the cash is received by the Company, and no income is being recognized to match the development expenses as they are incurred. As of June 30, 2002, $200,000 had been received under this grant and up to another $200,000 is available for future periods. There is no pay back obligation in the event that a product is not commercialized. In such case, the deferred revenue would be recognized at the time the product development effort is discontinued. In addition, the Company's research and development efforts are being partially funded by four federal research grants worth the aggregate of $527,000. Because these grants have no contingent pay back obligations, the income is recognized as the expenses are incurred. As of June 30, 2002, the aggregate of approximately $224,000 was available under these four grants for future periods.

PART I. FINANCIAL INFORMATION (Continued)
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The Company believes that it has sufficient capital resources to meet its working capital requirements and to finance its ongoing business operations during at least the next twelve months.

FORWARD-LOOKING STATEMENTS

This Quarterly Report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Such statements include, but are not limited to, any statements relating to the Company's objectives concerning future product sales, research and development expenses, profitability, expense ratios and any other statements that are not historical facts. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to difficulties or delays in development, testing, regulatory approval, production and marketing of the Company's products, competition within the Company's anticipated product markets, the uncertainties associated with product development, and other risks detailed from time to time in filings the Company makes with the Securities and Exchange Commission, including its Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q. Such statements are based on management's current expectations, but actual results may differ materially due to various factors, including those risks and uncertainties mentioned or referred to in this Quarterly Report.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings
None

Item 2. Changes in Securities
None

Item 3. Defaults Upon Senior Securities
None

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

At the Annual Meeting of Stockholders held on June 12, 2002, the stockholders voted on one business matter. The first order of business was the election of the Board of Directors for the next ensuing year. Each of the six nominees recommended by management to the stockholders was elected to the Board. The following list by name of director shows how the votes were cast for each director:

Michael F. Brigham (for: 2,345,851; withhold: 16,843), Anthony B. Cashen (for: 2,345,851; withhold: 16,843), Joseph H. Crabb (for: 2,345,851; withhold: 16,843), William H. Maxwell (for: 2,345,851; withhold: 16,843), Jonathan E. Rothschild (for: 2,345,751; withhold: 16,943) and Mitchel Sayare (for: 2,345,851; withhold: 16,843).

Item 5. Other Information
None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 99 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K
None

IMMUCELL CORPORATION

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ImmuCell Corporation
Registrant

Date: August 13, 2002

By: /s/ Michael F. Brigham
Michael F. Brigham
President and Chief Executive Officer
and Treasurer

PROPOSED SITE LIGHTING FIXTURE

The Wall Director® is a refreshing and innovative new approach to lighting ground surfaces, canopies, ceilings and architectural features from a wall mounted luminaire.

Every aspect of its form expresses the functional qualities engineered into the design. Yet, the Wall Director is vigorously non-mechanical in looks. Its flowing lines extend from the wall like a sconce, while simple geometry complements the architectural surface as functional enrichment.

Combined with performance optics, total cutoff, adjustability and invertible mounting, the Wall Director embodies the ultimate architectural wall luminaire.

TABLE OF CONTENTS

Photometry:
See the WD Series Photometric catalog in the separate Kim Photometric binder.

KIM LIGHTING

SITE / AREA
PARKING STRUCTURE
ROADWAY
ARCHITECTURAL FLOOD / ACCENT
LANDSCAPE

MAILING ADDRESS:
P.O. BOX 60080
CITY OF INDUSTRY, CA 91716-0080

BUSINESS ADDRESS:
16555 EAST GALE AVENUE
CITY OF INDUSTRY, CA 91745
U.S.A.
PHONE 626 / 968-5666
FAX 626 / 369-2695

U.S. PATENTS 5,613,766 and D370,544
OTHER PATENTS PENDING

WWW.KIMLIGHTING.COM

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RvA Council for Accreditation

Audited to ISO9001 Standards

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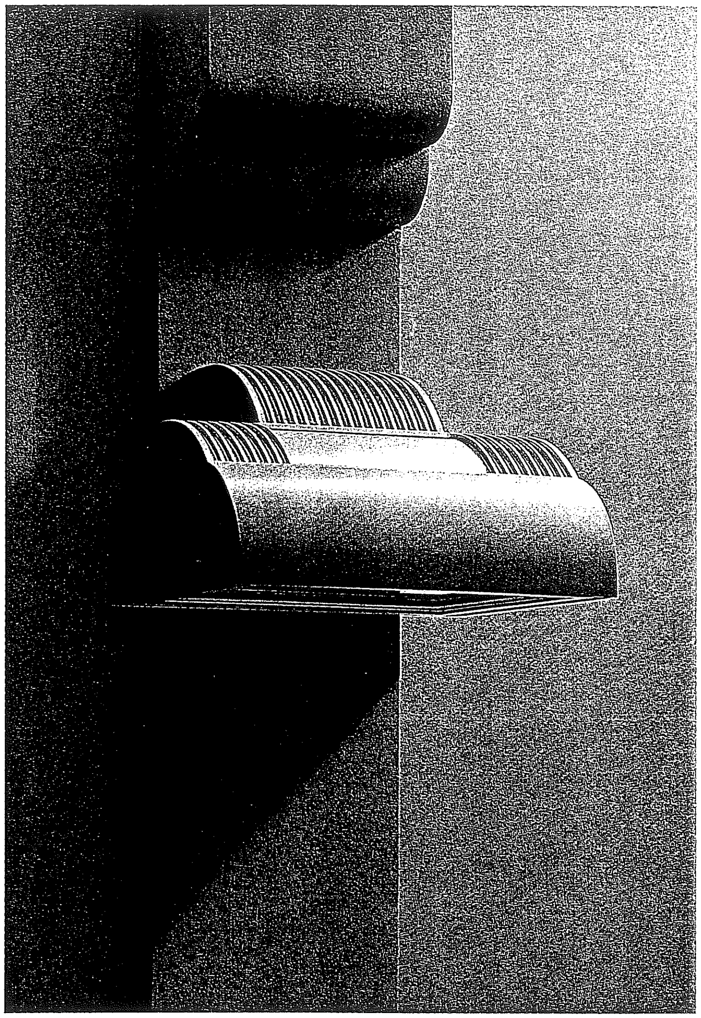
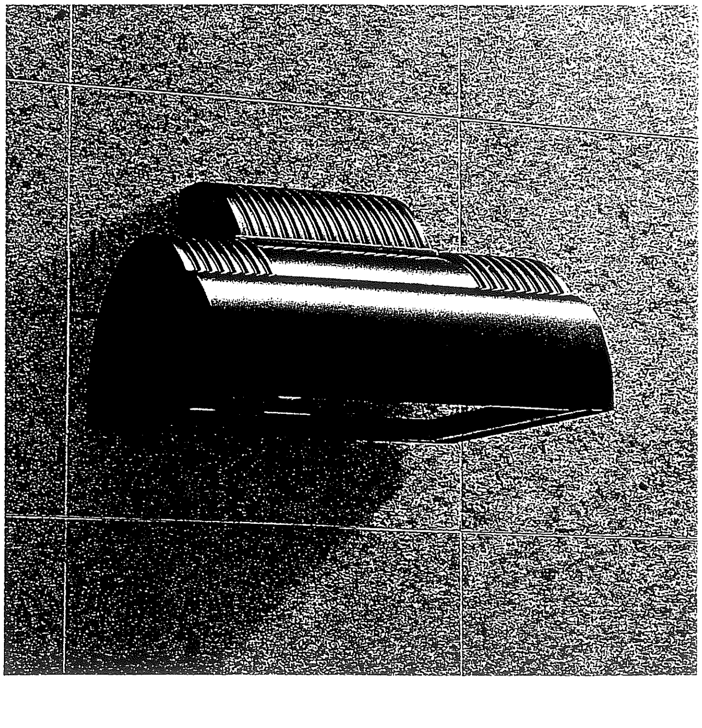
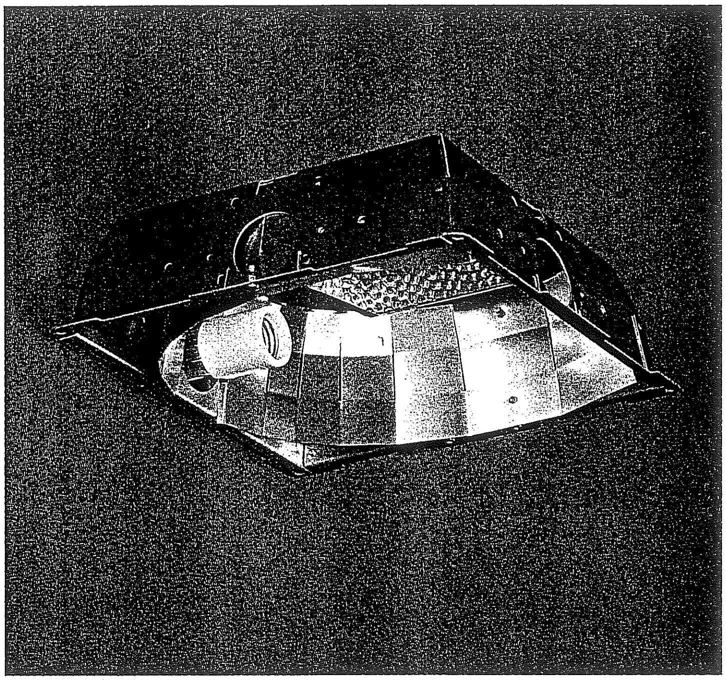
VERSION 4/00

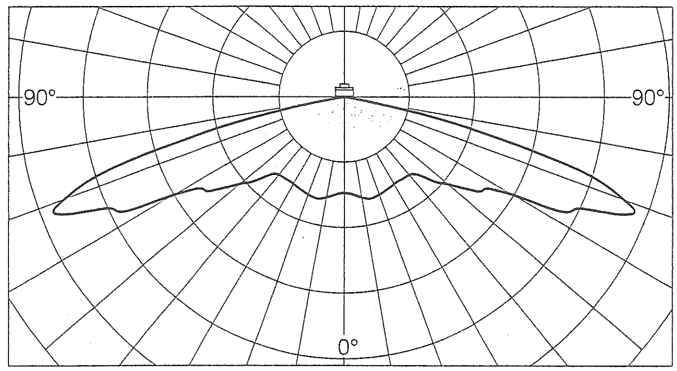


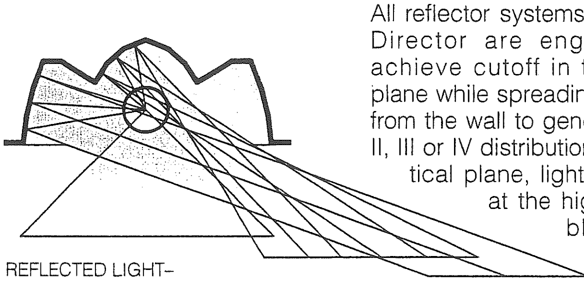


Total Cutoff



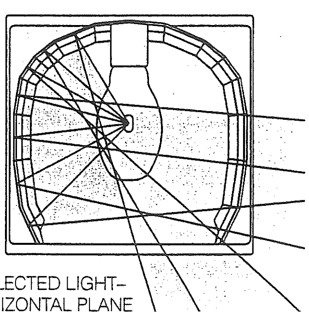
The term "total cutoff" as applied to a DOWN fixture, means that no portion of the luminaire's optical system is visible above horizontal. In addition to this physical requirement, the fixture must also meet IES photometric requirements for classification as a cutoff luminaire. The Wall Director meets both requirements. While some wall luminaires claim to be cutoff, their visible optical systems create brightness that overwhelms the surrounding architecture. The Wall Director utilizes a horizontal lamp orientation and a flat clear glass lens to achieve total cutoff. The distribution of light is handled entirely by a precision reflector system engineered for maximum fixture spacing with outstanding uniformity.



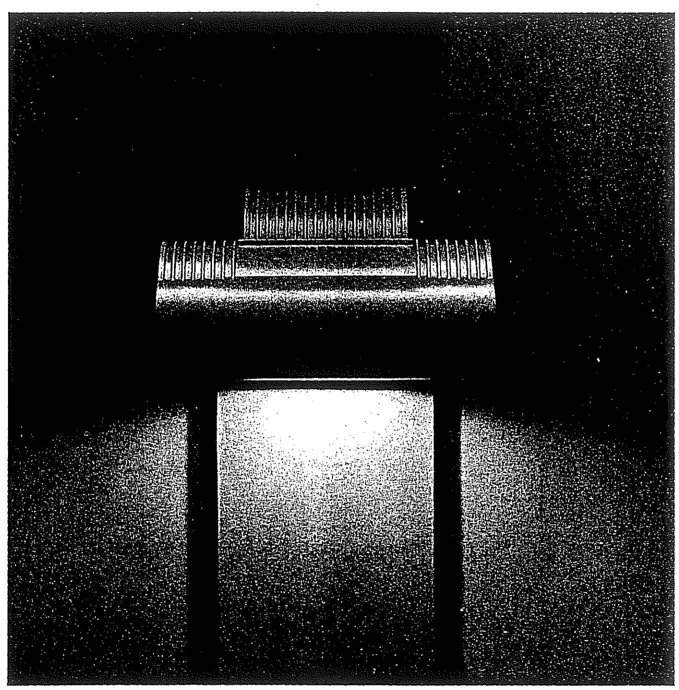


REFLECTED LIGHT–VERTICAL PLANE

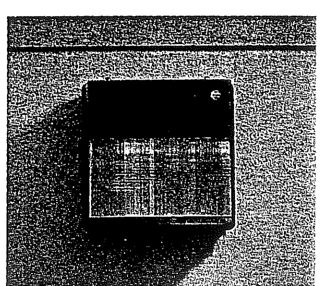
All reflector systems for the Wall Director are engineered to achieve cutoff in the vertical plane while spreading light away from the wall to generate a Type II, III or IV distribution. In the vertical plane, light is reflected at the highest possible angle for maximum fixture spacing. Excessive straight down illumination is avoided by the elimination of downward reflecting surfaces. In the horizontal plane, light is precisely directed away from the wall. All light striking the wall comes only from the lamp. This wall illumination may be aesthetically desirable whether directed up or down, and may be substantially reduced by using the optional houseside shield if desired.

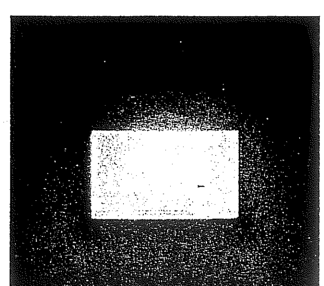


REFLECTED LIGHT–HORIZONTAL PLANE



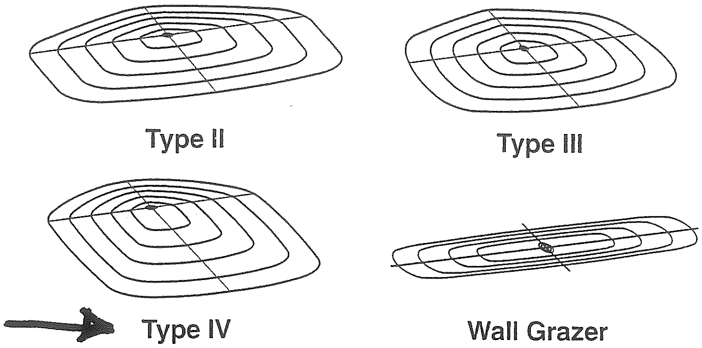
Non-cutoff wall fixtures are designed without any consideration for architectural compatibility by day, or human visibility at night. The tremendous glare from these fixtures represents wasted energy, contributes to the environmental problems associated with sky glow, and causes light trespass onto adjacent property.

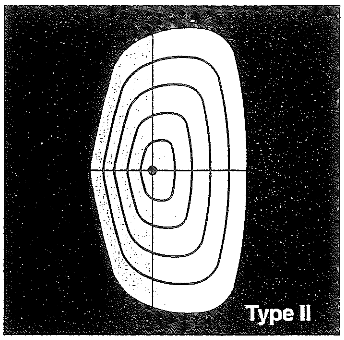


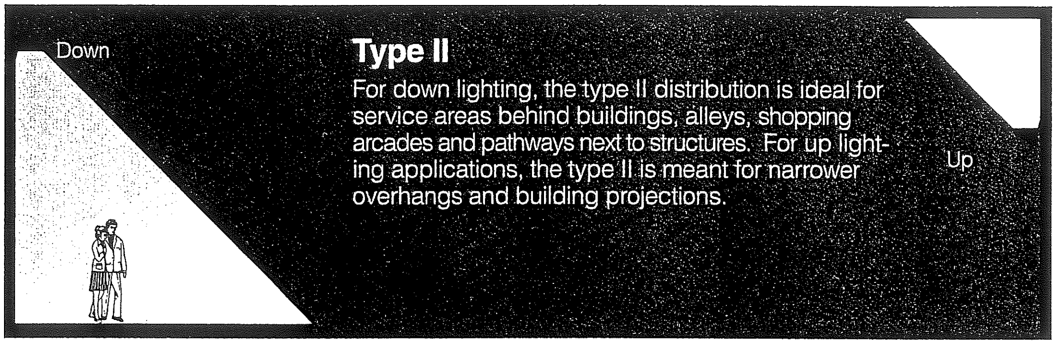


Four Distributions

Wall mounted luminaires may be called upon to light a broad range of ground surfaces, ceilings, canopies and overhangs. Fixture adjustment alone will not accomplish this because voids in the light pattern can develop when trying to make one distribution fit all applications. Therefore, the Wall Director is offered in four light distributions from Type II through Type IV plus Wall Grazer. The Type II, III, and IV reflector systems are based on Kim's highly efficient and uniform pole-mounted luminaires such as The Archetype®. All four reflector systems are interchangeable within the Wall Director should jobsite changes and adjustments become necessary. A houseside shield option is also available to reduce light on the wall.

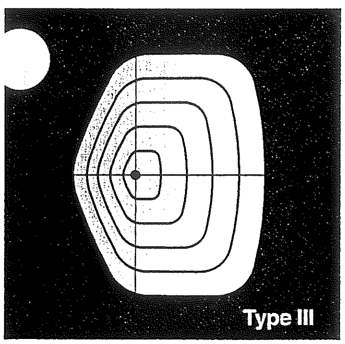


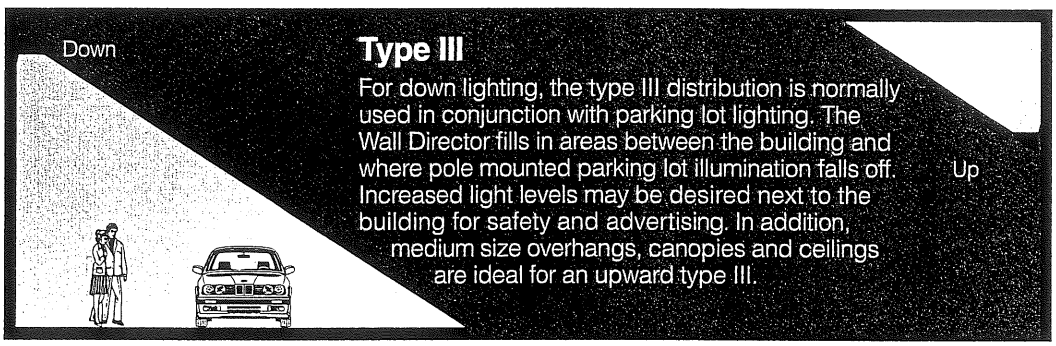




Type II

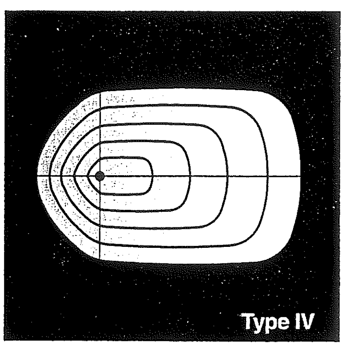
For down lighting, the type II distribution is ideal for service areas behind buildings, alleys, shopping arcades and pathways next to structures. For up lighting applications, the type II is meant for narrower overhangs and building projections.

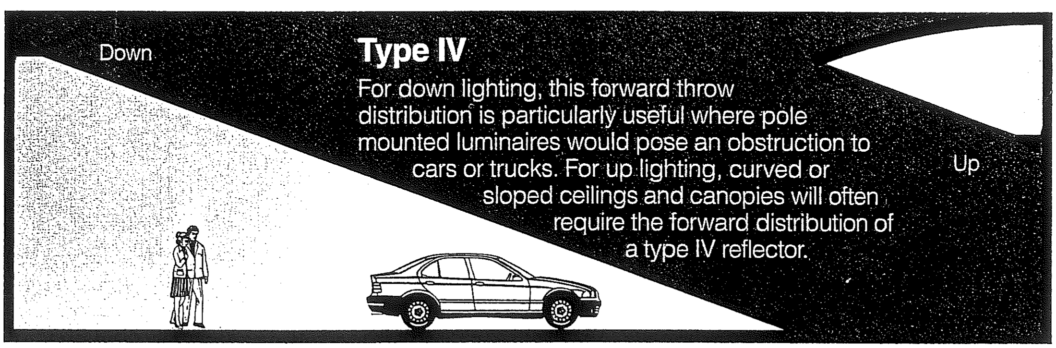




Type III

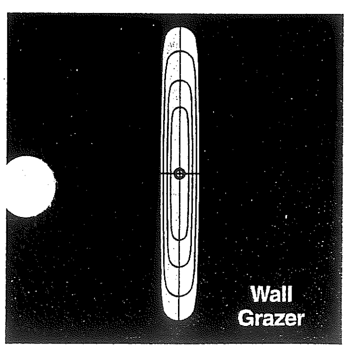
For down lighting, the type III distribution is normally used in conjunction with parking lot lighting. The Wall Director fills in areas between the building and where pole mounted parking lot illumination falls off. Increased light levels may be desired next to the building for safety and advertising. In addition, medium size overhangs, canopies and ceilings are ideal for an upward type III.

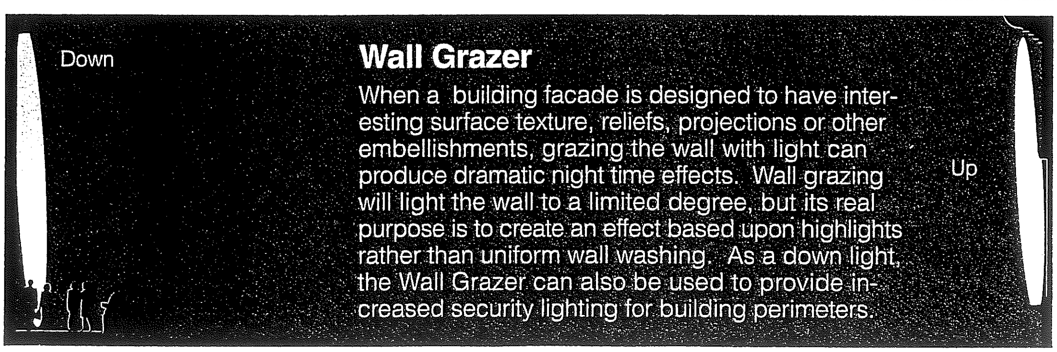




Type IV

For down lighting, this forward throw distribution is particularly useful where pole mounted luminaires would pose an obstruction to cars or trucks. For up lighting, curved or sloped ceilings and canopies will often require the forward distribution of a type IV reflector.





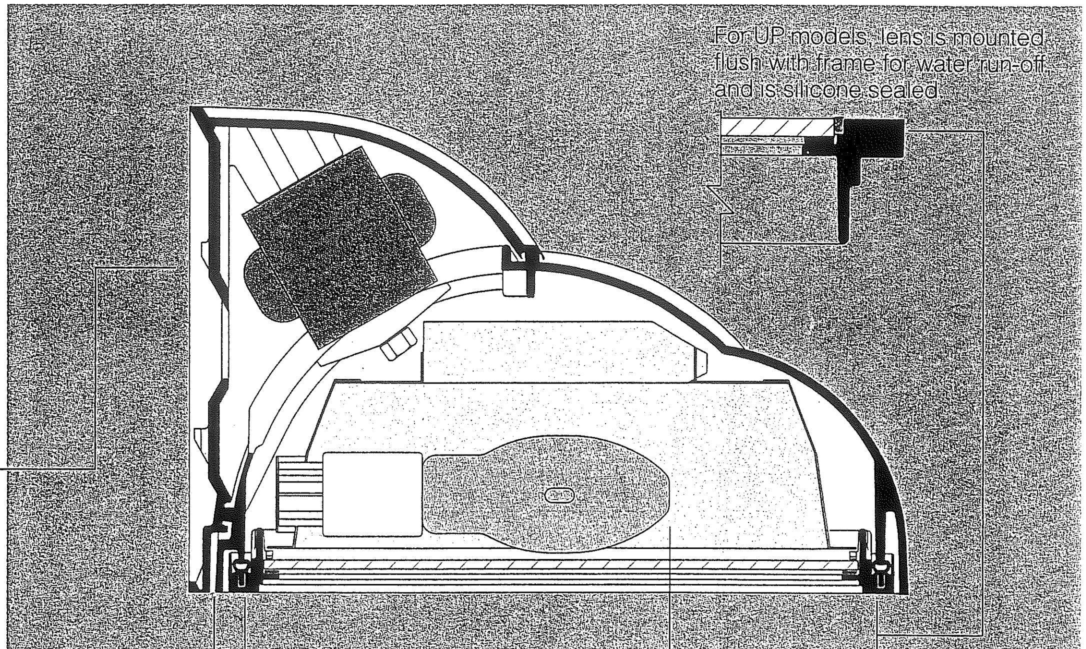
Wall Grazer

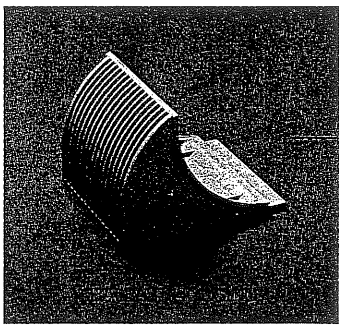
When a building facade is designed to have interesting surface texture, reliefs, projections or other embellishments, grazing the wall with light can produce dramatic night time effects. Wall grazing will light the wall to a limited degree, but its real purpose is to create an effect based upon highlights rather than uniform wall washing. As a down light, the Wall Grazer can also be used to provide increased security lighting for building perimeters.

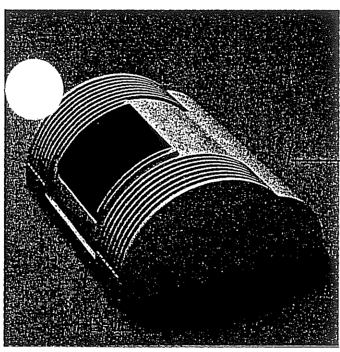
Quality Construction

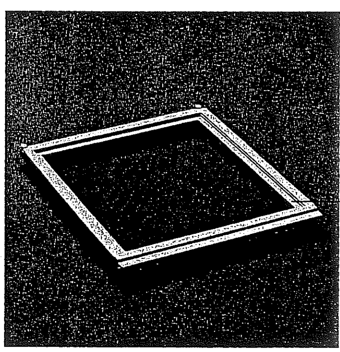
Die Cast Aluminum Components

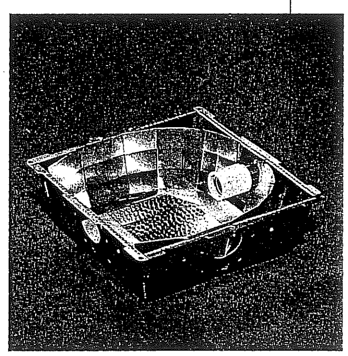
All three major housing components are die cast aluminum with integral cooling ribs and extra heavy wall thickness. Die casting gives the luminaire a clean and precise look while accurately controlling tolerances and repeatability.

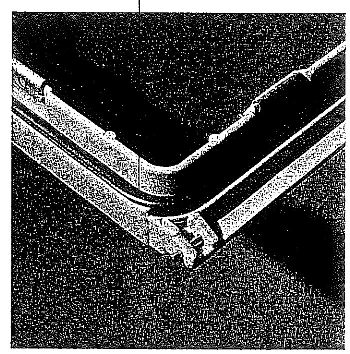










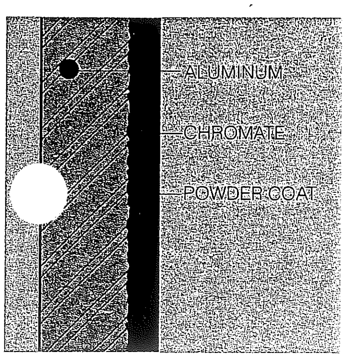


Reflector Module

Each reflector type is a self-contained module with complete interchangeability. The segmented reflector panels are precision formed specular aluminum protected by the Alzak® process. The module hinges open for ballast access and snaps out for ease of fixture mounting.

Silicone Gasketing

While lesser materials could be used, only silicone gasketing is utilized in the Wall Director because of its superior memory retention and non-outgassing properties. This assures a clean optical chamber free of residue build-up, and positive sealing after every relamping.

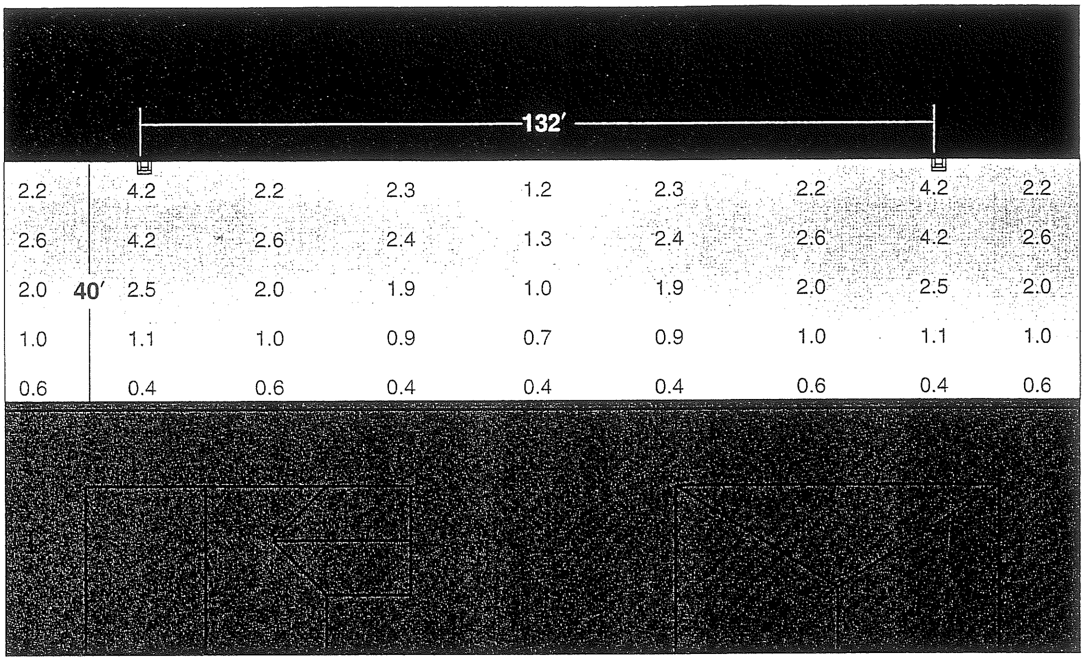


Eight Stage Finish

All paint is Super TGIC thermoset polyester powder coat applied in the following stages:

1. Power wash and degrease.
2. Detergent tank bath.
3. Clear water rinse bath.
4. Chromate bath – the best known pretreatment of aluminum for corrosion resistance and paint adhesion.
5. Clear water rinse bath.
6. Dry off oven.
7. Powder coating – 2.5 mil nominal thickness.
8. Bake for 20 minutes at 410°F. 2500 hour salt spray test rated.

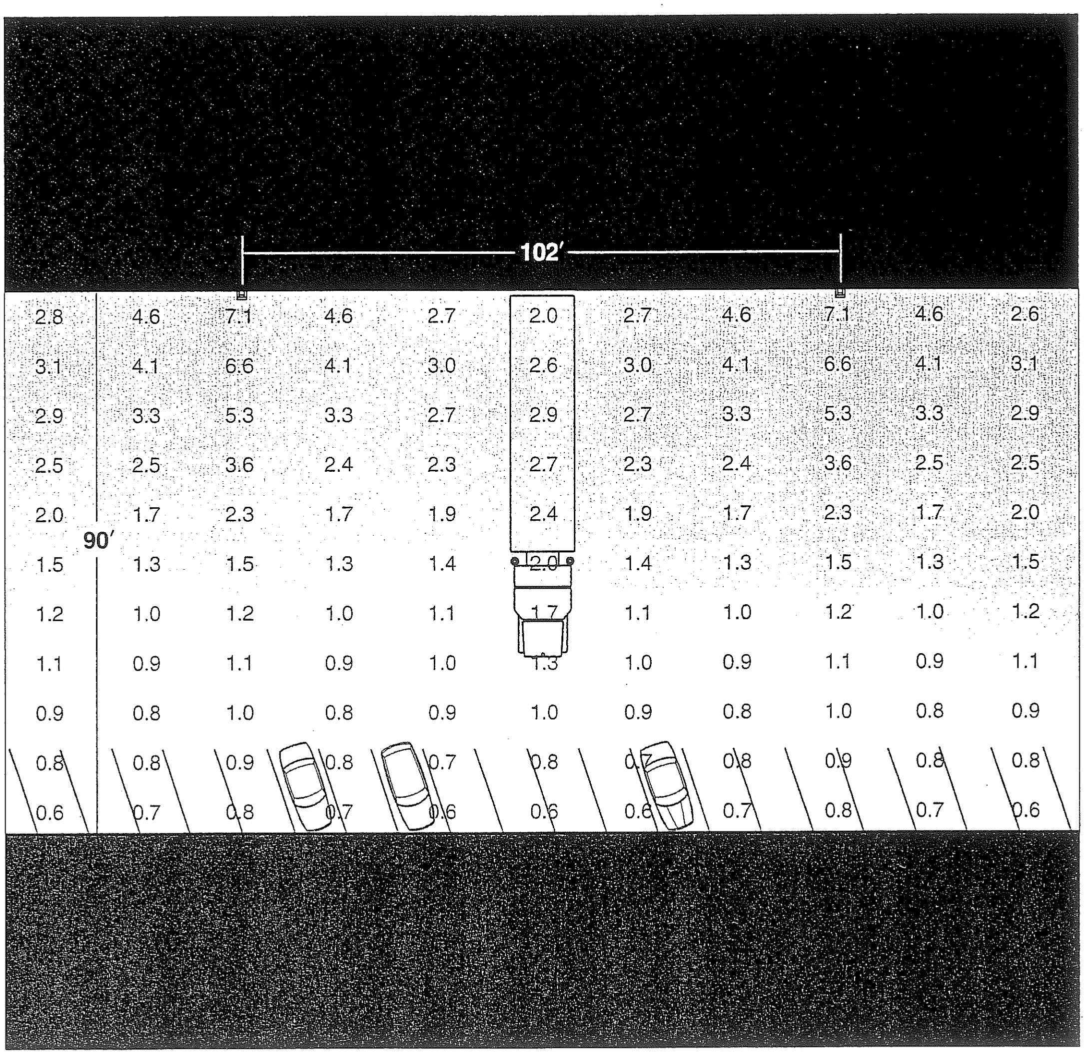
Efficiency / Uniformity



The example at left illustrates a typical application for the Type II distribution. In this instance a service area behind buildings is located next to a residential area. To avoid light trespass, the Type II reflector confines illumination to the service area with minimal spill into neighboring property.

Fixture: WD18D2/250MH
Mounting Height: 25′
Fixture Spacing: 132′
I.T.L. Test No.: 35901

Initial Average: 1.7
Initial Minimum: 0.4
Max./Min.: 11.96



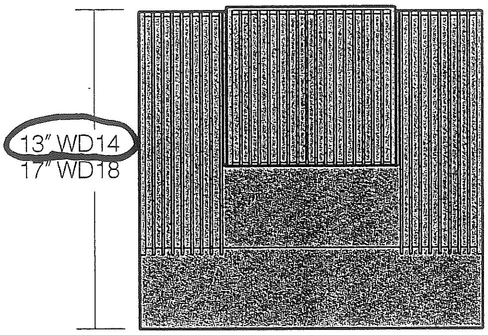
Loading docks and airport ramps are common applications for the Type IV distribution. The example at left assumes that all lighting is provided by Wall Directors. In actuality, pole mounted luminaires could be placed at the property line to contribute light from the opposite side.

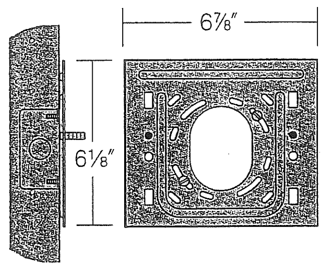
Fixture: WD18D4/400HPS
Mounting Height: 30′
Fixture Spacing: 102′
I.T.L. Test No.: 35921

Initial Average: 2.0
Initial Minimum: 0.6
Max./Min.: 11.66

Note: For uplight aiming, the same basic geometry occurs. By simply visualizing these ground surfaces as ceilings, one can see how the different light distributions can be chosen to efficiently illuminate canopies, ceilings and overhangs of varying widths.

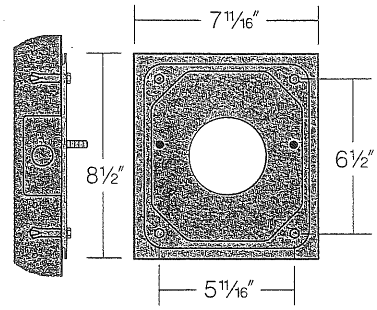
Specifications



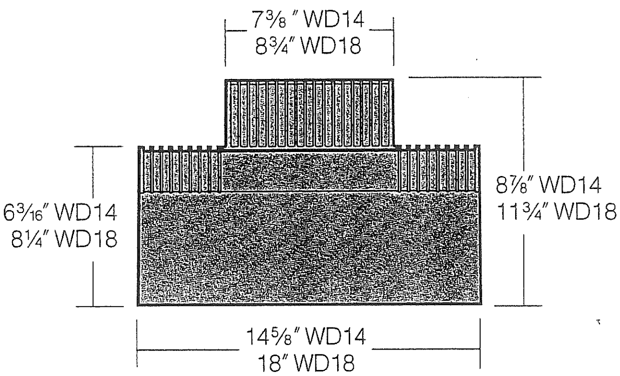


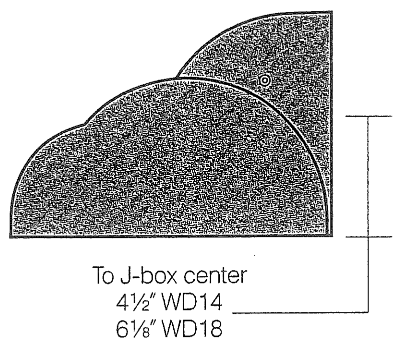
Mounting Plate-WD14
Attaches directly to any standard 4" J-box.

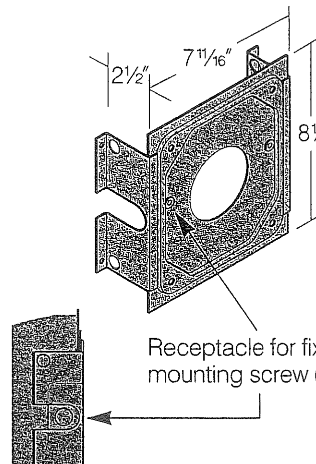
J-box in wall by others.
See note below concerning mounting to uneven surfaces.



Standard Mounting Plate-WD18
Must be securely attached to wall outside the J-box perimeter.

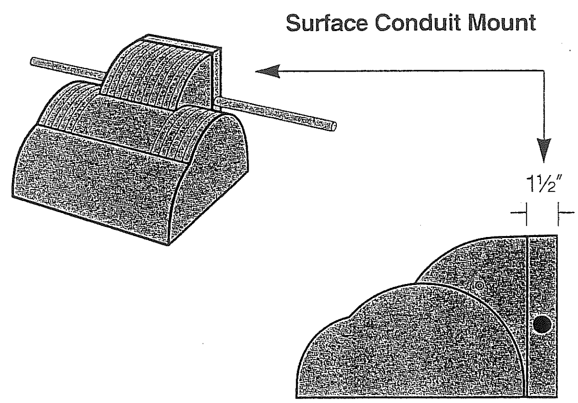


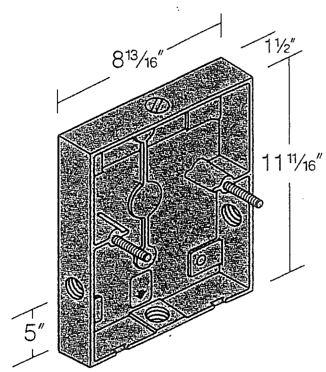




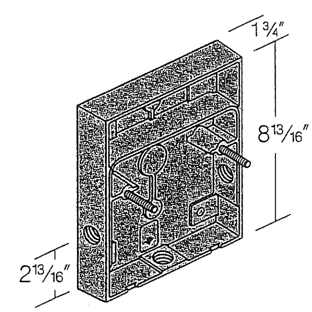
Optional Wall Embedment Plate-WEP for WD18 only

Maximum Fixture Weight:
WD14 (150HPS)- 26 lb
WD18 (400HPS)- 43 lb





Surface Conduit Mount SCM for WD18
Must be securely mounted to wall surface.



Surface Conduit Mount SCM for WD14
Must be securely mounted to wall surface.

Warning: Fixtures must be grounded in accordance with local codes or the National Electrical Code. Failure to do so may result in serious personal injury.

Reflector Housing: One piece die cast aluminum with integral cooling fins. Rotates against ballast housing to provide 10° of adjustment with degree markers cast into housing. At 0° adjustment, lens is totally concealed from view above horizontal with fixture aimed downward.

Ballast Housing: One piece die cast aluminum with integral cooling fins. Fastens to mounting plate with keyhole slots freeing both hands for securing and wiring. One stainless steel socket-head screw on each side of housing frees the reflector housing to rotate for aiming. Tightening the screws locks the two housings together with sealing provided by a silicone gasket. For visual aiming, adjustment may be accomplished with the fixture on.

Lens Frame: One piece die cast aluminum with integral hinges and stainless steel pins. Two stainless steel quarter-turn fasteners secure lens frame to reflector housing with sealing provided by a one piece extruded and vulcanized silicone gasket. Lens is clear flat 3⁄16″ thick tempered glass sealed to lens frame with a silicone gasket and retainer clips. For UP models, lens is mounted flush with frame for water run off, and is silicone sealed.

Type II, III, and IV Reflector Module: Specular Alzak® optical segments are rigidly mounted to an aluminum module which attaches to the housing by a no-tool quick-disconnecting hinge and fastener. For WD14 models all sockets are porcelain medium base rated 4KV. For WD18 models all sockets are mogul base with HPS rated 4KV, and MH versions have pin-oriented sockets with molded silicone lamp stabilizers. All modules are factory prewired with a quick-disconnect plug for mating to the ballast. Available in three light distributions, all interchangeable within the same housing.

Wall Grazer Reflector Module: Specular Alzak® optical segment is rigidly formed into a self-contained module which attaches to the housing by a no-tool quick-disconnecting hinge and fastener. Black anodized louver vanes run parallel to the lamp arc for controlling the hot spot directly behind the fixture, and spill light into the atmosphere. For WD14 models all sockets are porcelain medium base rated 4KV. For WD18 models all sockets are porcelain mogul base with HPS rated at 4KV, and MH versions having pin-oriented sockets with molded silicone lamp stabilizers. All modules are factory prewired with a quick-disconnect plug for mating to the ballast.

Electrical Components: High power factor ballasts are rigidly mounted inside the housing and are factory prewired with a quick-disconnect plug for mating to the socket. Starting temperatures are –40°F for HPS lamp modes and –20°F for MH lamp modes.

Mounting Plate: For WD14 models, mounting plate attaches directly to any standard 4″ J-box. For WD18 models, standard mounting plate is attached to wall (by others) outside the J-box perimeter. Optional Wall Embedment Plate (WEP) is available for WD18 models to eliminate mechanical attachment by casting directly into poured concrete walls or columns. All mounting plates are zinc plated 14 ga. steel with reinforcing ribs. Two studs are provided in each plate with flange nuts to allow fixture mounting by keyhole slots. For rough or uneven surfaces, sealant must be applied (by others) between mounting plate and mounting surface to insure a dry J-box.

SCM Surface Mounting: One piece cast aluminum with two integral studs, provided with flange nuts to allow fixture mounting by keyhole slots.

Optional Polycarbonate Shield: (For DOWN models only) Fully gasketed one piece vacuum formed clear UV stabilized polycarbonate shield replaces standard tempered glass lens. For WD18 models—250W max. May be used with 400W HPS only in outdoor locations where ambient air temperature during fixture operation will not exceed 85°F. **CAUTION:** Use only when vandalism is anticipated to be high. Useful life is limited by UV discoloration from sunlight and MH lamps.

Finish: Super TGIC thermoset polyester powder coat paint, 2.5 mil nominal thickness, applied over a chromate conversion coating; 2500 hour salt spray test endurance rating. Standard colors are Black, Dark Bronze, Light Gray, Platinum Silver, or White. Custom colors are available and subject to additional charges, minimum quantities and longer lead times. Consult representative.

Certification: UL Listed to U.S. and Canadian safety standards for wet locations. Fixture manufacturer shall employ a quality program that is audited to ISO 9001 standards.

Sebago Technics
Engineering Expertise You Can Build On

02P210

TO: Jonathan Spence - Planner

FROM: James Seymour P.E.
Development Review Coordinator, Sebago Technics, Inc.

RE: Immucell Corporation, Loading Dock/Addition Expansion –
56 Evergreen Drive

DATE: October 8, 2002

I have reviewed the revised Minor Site Plan Package and supporting documentation for the proposed Immucell Loading Dock and Addition Expansion, to be located at 56 Evergreen Drive, and have provided the following comments in an outline topic scenario:

1. **Stormwater Management**

The revised drainage system appears to have abandoned the existing storm drain to the outfall located just off the site. The new catch basin will be installed into the 18 inch storm drain running along side the property line. The connection shall be constructed with a manhole. Also who has ownership of the storm drain is it Private or Public. If it is private please show rights to connect, if it is public then connections must be to City of Portland Standards.

The ditches to be constructed along the east edge of the proposed parking lot shall be move closer to the paving and the landscaping shall be moved closer to the property line. This will protect the trees and allow the runoff and snow to be stored in the new ditch. If this cannot happen due to the restriction of the easement, then we would suggest regarding the lot to collect all the runoff by the dumpsters and the construct a new catch basin over the existing 10" storm drain.

The last catch basin before connecting to a City storm drain is required to have a Casco Trap installed to trap floatables.

2 **Road Access/Circulation**

The width of the parking lot aisle is less the required, however we believe it is existing and can function properly at 23 feet in width. Looking at the plan the 23' width is only at the curbed entrance.

3. **Utilities**

The selected wall pak lighting fixture catalog cut shall be submitted for review

Permitting for industrial/commercial sewage discharge, for the site's processed water, shall be reviewed by the Public Works Sewer Division.

.

4. **Erosion Controls**

Erosion controls measures are shown. Note notes regarding loaming or seeding and no discussions regarding winter preparation were mentioned. These should be added to the Site Grading Plan.

5. **Retaining Wall Requirements**

The proposed retaining wall appears be acceptable. The only concern is that the roof drainage may get trapped against the wall and building. Please show spot grades in this area to assure the drainage will drain out and around the retaining wall.

As always, feel free to contact me if you have any questions or need further assistance.

JRS:jrs/jc

Architects + Engineers

HARRIMAN ASSOCIATES

One Auburn Business Park
Auburn, Maine 04210

207.784.5100 telephone
207.782.3017 fax

Building communities
since 1870

October 23, 2002

Jonathan Spence
Planning Dept.
City of Portland
389 Congress Street
Portland, ME 04101

Re: Immucell Corp.
Additions and Renovations
Portland, Maine
Project No. 02151

Dear Jonathan:

We are in receipt of the review comments from Mr. James Seymour, P.E., of Sebago Technics. Please review the following discussions regarding Mr. Seymour's concerns.

1. Stormwater Management

In a conversation with Tony Lombardo at the Portland Public Works, he said that a service saddle connection into the storm drain is sufficient. He also said that landscape planting could occur inside the easement line, but that if the city were to disturb the area to maintain the utility, then replacement of landscape planting would be the responsibility of the owner.

In a subsequent conversation with Mr. Seymour, he deferred to Tony regarding the service saddle. Therefore, the service saddle shown on the previous drawing submittals is retained as part of the design.

Please review drawings C20.1, C30.1, and C40.1. The landscape trees were moved another 5' to the southeast. This provides a 6 to 10' lawn area, depending on the spread of the tree foliage. The drainage swale is still located to the east of the trees. During the winter months, snow will be moved onto the rear lawn area north of the building through the space between the dumpsters and the building addition.

A Casco Trap is now shown on drawing C40.1, and is detailed on drawing C50.2.

Tony said that application for a sewer connection permit and other design considerations should be discussed with Carol Merit at Portland Public Works. Carol is on vacation until October 29, 2002. When she returns, we will contact her and implement any changes she requires.

2. Road Access/Circulation

The existing drive entrance is being widened for the convenience of the truck drivers. It is otherwise an existing condition, as was noted by the reviewer.

3. Utilities

The catalog cut sheets for the "Wall Director" wall mounted, sharp cut-off fixture by Kim Lighting were included at the back of the September 20, 2002 submission booklet. Another copy is attached for your convenience.

Please note that the new underground acid neutralizing tank was removed from the plans. The acid neutralization will be performed inside the building.

4. Erosion Controls

New notes were added to drawing C30.1. One new note calls out the loam and seed for disturbed areas. Note number 7 calls attention to the Fall and Winter Stabilization specifications, a copy of which is attached.

5. Retaining Wall Requirements

A note on drawing C20.1 called out a series of scuppers cast into the top of the wall to allow drainage over the wall from the paved area next to the building. Upon further consideration, only one scupper will be necessary. Please see the revised drawings C20.1 and C30.1.

We trust that this will help answer the submitted concerns and questions. If you require any further information, please contact us at any time.

Sincerely,
Harriman Associates

Robert L. Berry III, P.E.

Harriman Associates

Enclosures

cc: Dan Fisher (w/encl)

LIGHTING

PROPOSED SITE LIGHTING FIXTURE

The Wall Director® is a refreshing and innovative new approach to lighting ground surfaces, canopies, ceilings and architectural features from a wall mounted luminaire.

Every aspect of its form expresses the functional qualities engineered into the design. Yet, the Wall Director is vigorously non-mechanical in looks. Its flowing lines extend from the wall like a sconce, while simple geometry complements the architectural surface as functional enrichment.

Combined with performance optics, total cutoff, adjustability and invertible mounting, the Wall Director embodies the ultimate architectural wall luminaire.

TABLE OF CONTENTS

Photometry:
See the WD Series Photometric catalog in the separate Kim Photometric binder.

KIM LIGHTING

SITE / AREA
PARKING STRUCTURE
ROADWAY
ARCHITECTURAL FLOOD / ACCENT
LANDSCAPE

MAILING ADDRESS:
P.O. BOX 60080
CITY OF INDUSTRY, CA 91716-0080

BUSINESS ADDRESS:
16555 EAST GALE AVENUE
CITY OF INDUSTRY, CA 91745
U.S.A.
PHONE 626 / 968-5666
FAX 626 / 369-2695

U.S. PATENTS 5,613,766 and D370,544
OTHER PATENTS PENDING

WWW.KIMLIGHTING.COM

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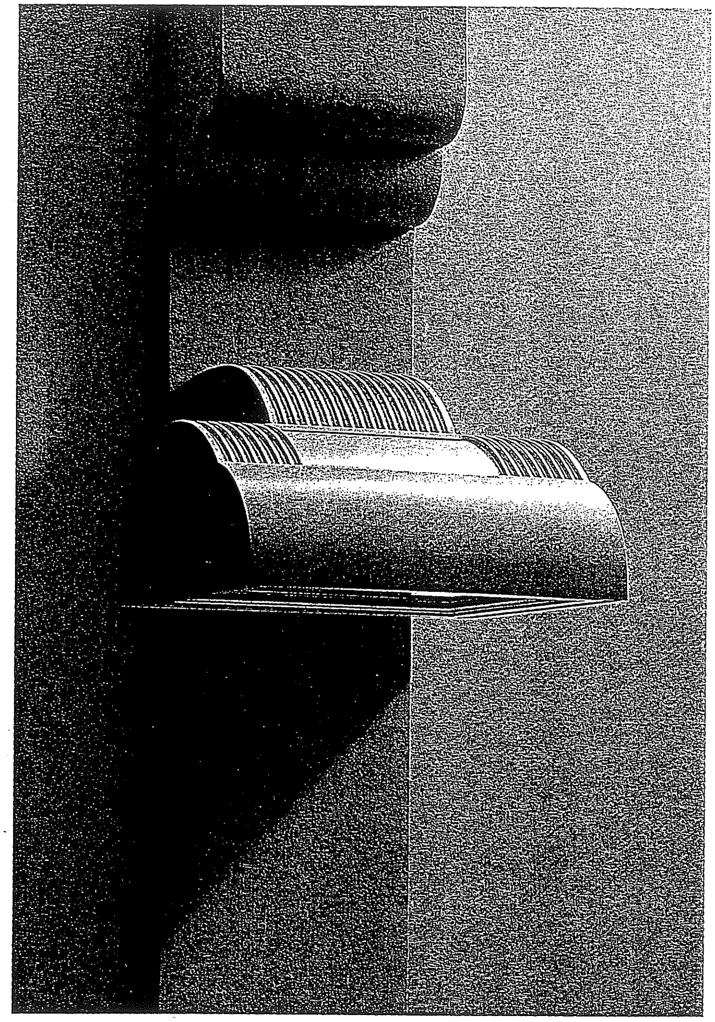
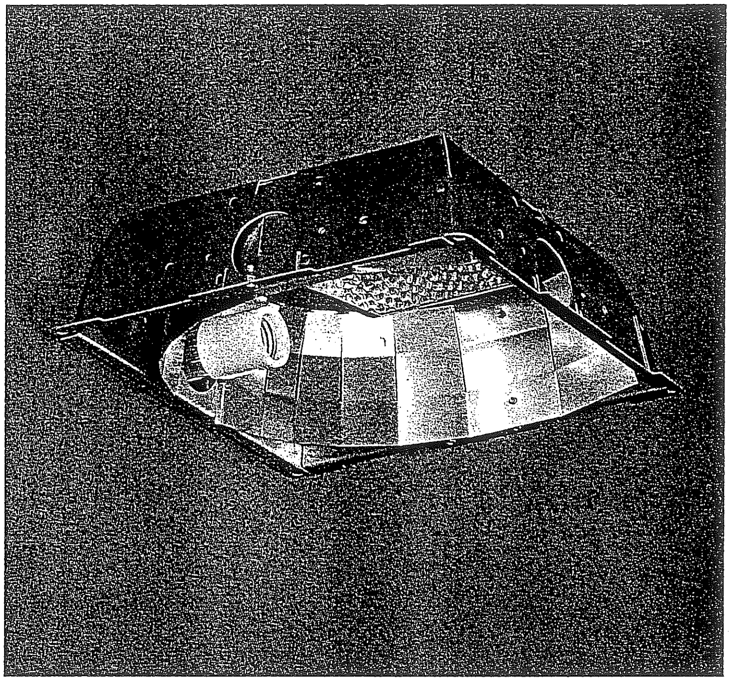
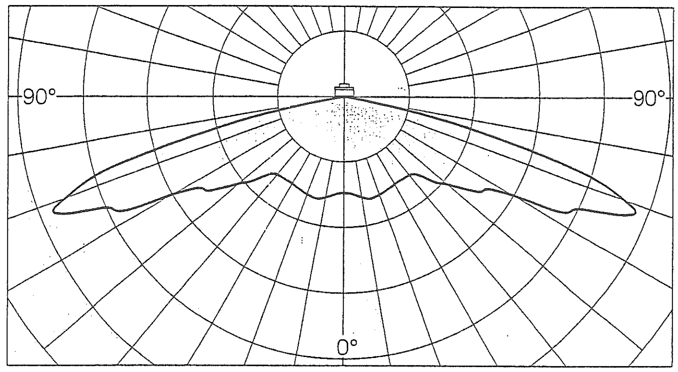
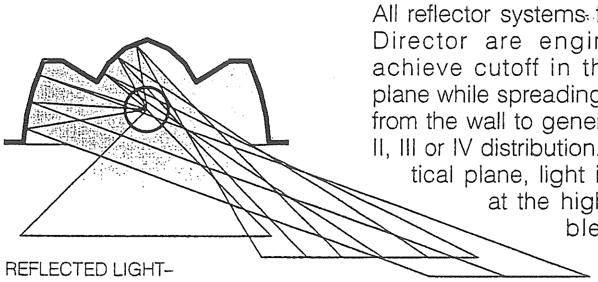


Total Cutoff

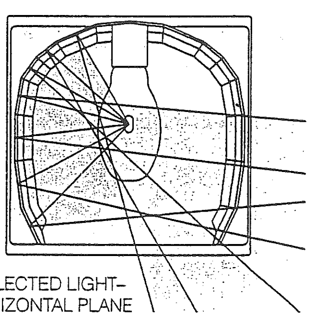


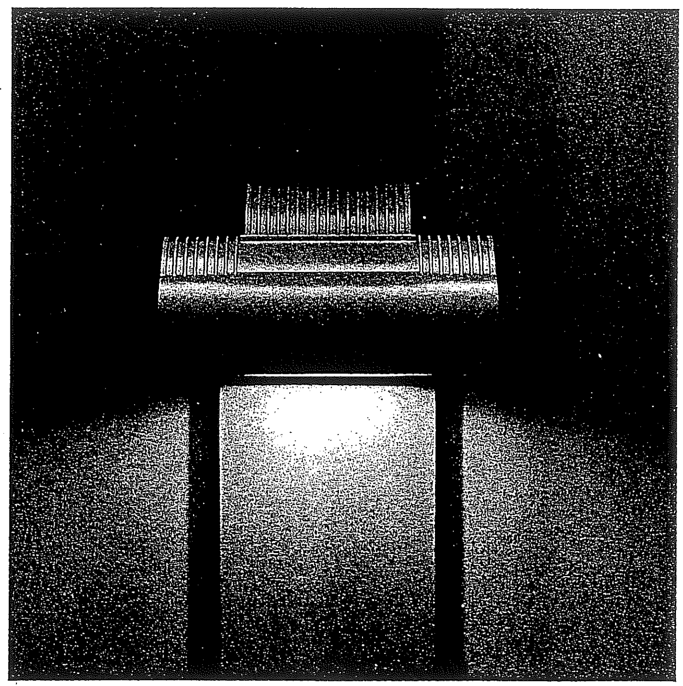
The term "total cutoff" as applied to a DOWN fixture, means that no portion of the luminaire's optical system is visible above horizontal. In addition to this physical requirement, the fixture must also meet IES photometric requirements for classification as a cutoff luminaire. The Wall Director meets both requirements. While some wall luminaires claim to be cutoff, their visible optical systems create brightness that overwhelms the surrounding architecture. The Wall Director utilizes a horizontal lamp orientation and a flat clear glass lens to achieve total cutoff. The distribution of light is handled entirely by a precision reflector system engineered for maximum fixture spacing with outstanding uniformity.



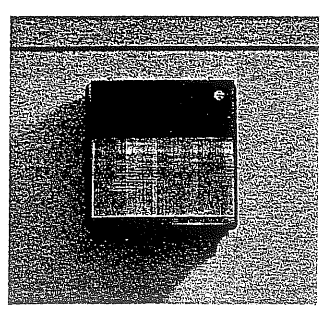

REFLECTED LIGHT–
VERTICAL PLANE

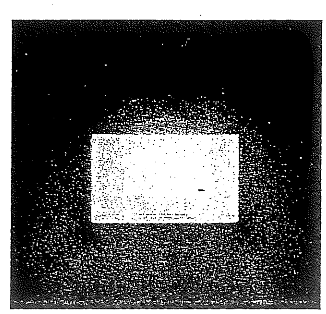
All reflector systems for the Wall Director are engineered to achieve cutoff in the vertical plane while spreading light away from the wall to generate a Type II, III or IV distribution. In the vertical plane, light is reflected at the highest possible angle for maximum fixture spacing. Excessive straight down illumination is avoided by the elimination of downward reflecting surfaces. In the horizontal plane, light is precisely directed away from the wall. All light striking the wall comes only from the lamp. This wall illumination may be aesthetically desirable whether directed up or down, and may be substantially reduced by using the optional houseside shield if desired.


REFLECTED LIGHT–
HORIZONTAL PLANE



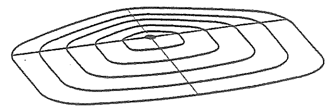
Non-cutoff wall fixtures are designed without any consideration for architectural compatibility by day, or human visibility at night. The tremendous glare from these fixtures represents wasted energy, contributes to the environmental problems associated with sky glow, and causes light trespass onto adjacent property.



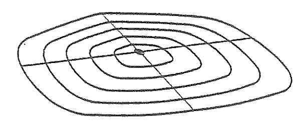


Four Distributions

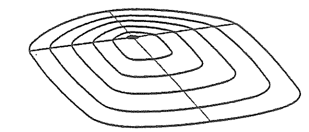
Wall mounted luminaires may be called upon to light a broad range of ground surfaces, ceilings, canopies and overhangs. Fixture adjustment alone will not accomplish this because voids in the light pattern can develop when trying to make one distribution fit all applications. Therefore, the Wall Director is offered in four light distributions from Type II through Type IV plus Wall Grazer. The Type II, III, and IV reflector systems are based on Kim's highly efficient and uniform pole-mounted luminaires such as The Archetype®. All four reflector systems are interchangeable within the Wall Director should jobsite changes and adjustments become necessary. A houseside shield option is also available to reduce light on the wall.



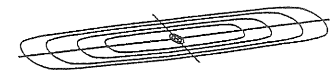
Type II



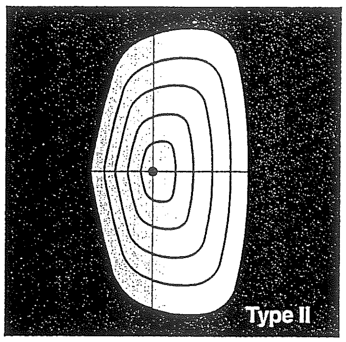
Type III

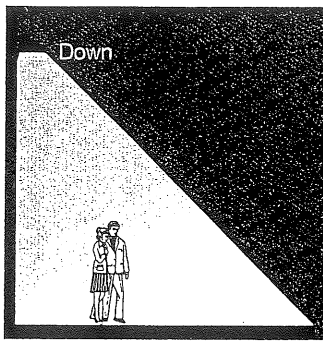


Type IV



Wall Grazer

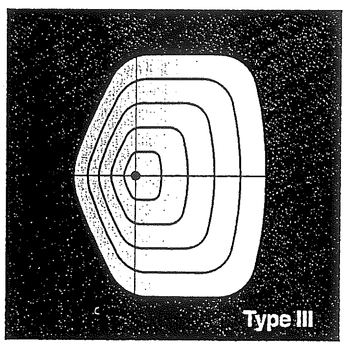


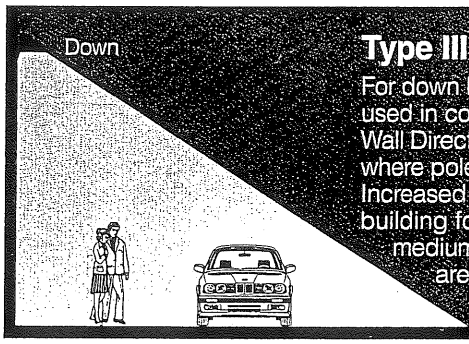


Type II

For down lighting, the type II distribution is ideal for service areas behind buildings, alleys, shopping arcades and pathways next to structures. For up lighting applications, the type II is meant for narrower overhangs and building projections.

Up

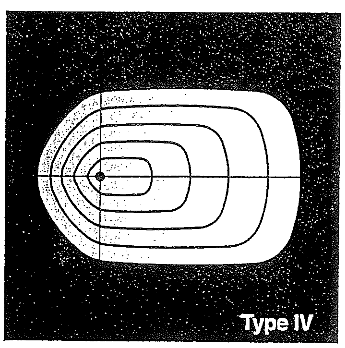


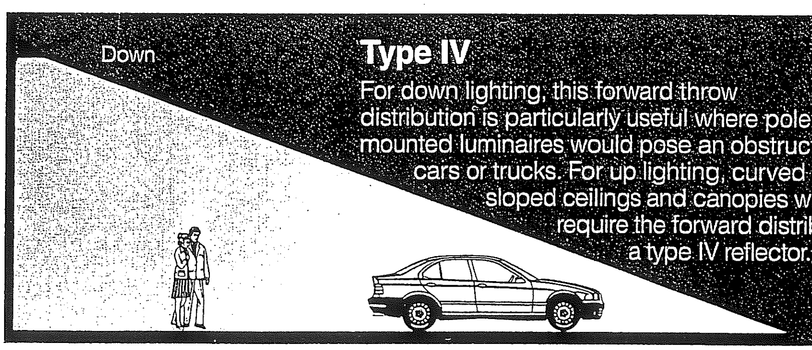


Type III

For down lighting, the type III distribution is normally used in conjunction with parking lot lighting. The Wall Director fills in areas between the building and where pole mounted parking lot illumination falls off. Increased light levels may be desired next to the building for safety and advertising. In addition, medium size overhangs, canopies and ceilings are ideal for an upward type III.

Up

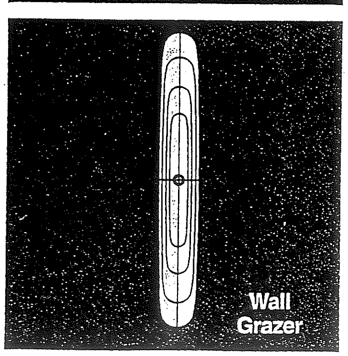




Type IV

For down lighting, this forward throw distribution is particularly useful where pole mounted luminaires would pose an obstruction to cars or trucks. For up lighting, curved or sloped ceilings and canopies will often require the forward distribution of a type IV reflector.

Up



Wall Grazer

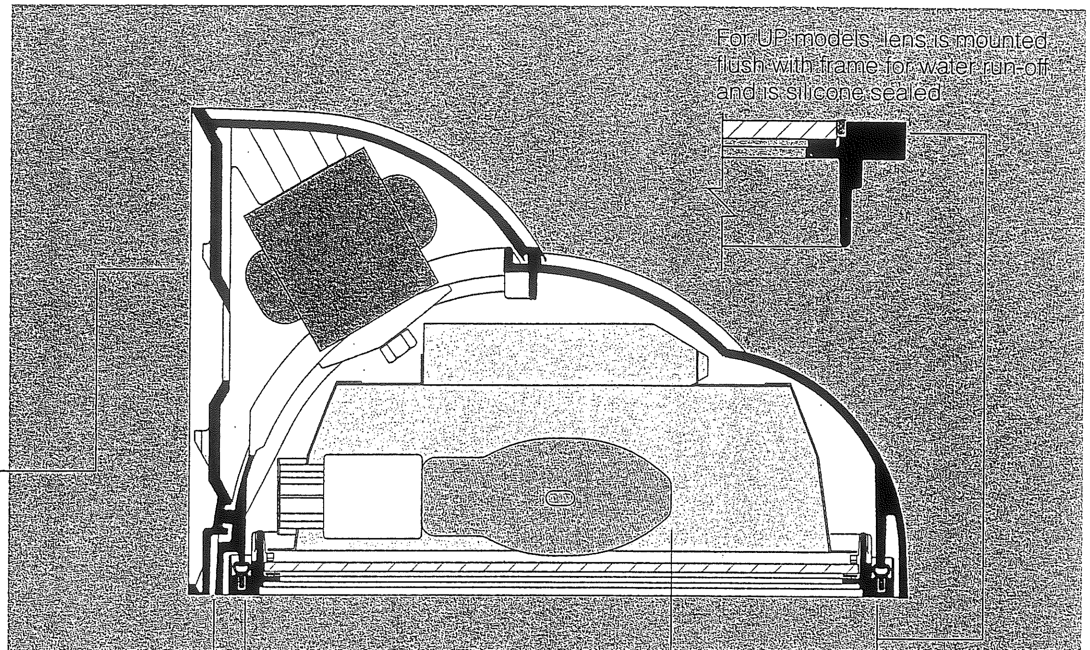
When a building facade is designed to have interesting surface texture, reliefs, projections or other embellishments, grazing the wall with light can produce dramatic night time effects. Wall grazing will light the wall to a limited degree, but its real purpose is to create an effect based upon highlights rather than uniform wall washing. As a down light, the Wall Grazer can also be used to provide increased security lighting for building perimeters.

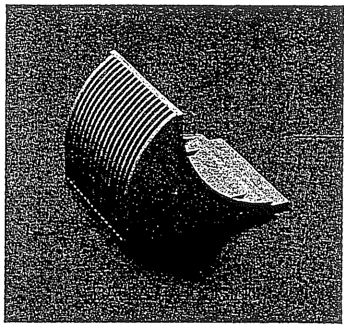
Up

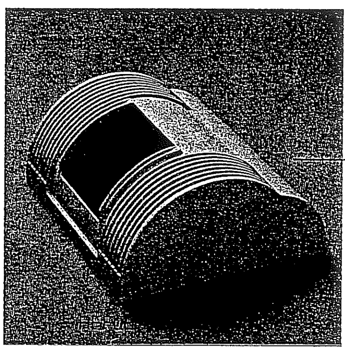
Quality Construction

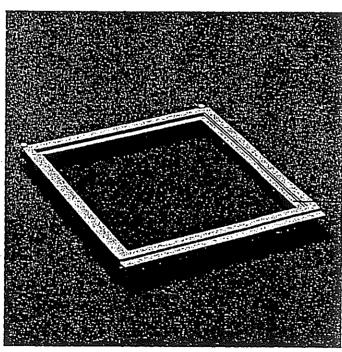
Die Cast Aluminum Components

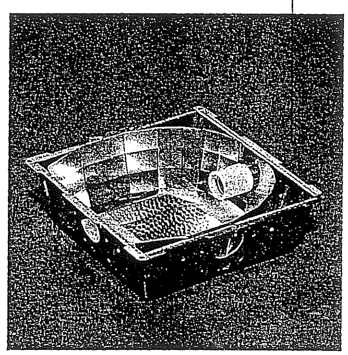
All three major housing components are die cast aluminum with integral cooling ribs and extra heavy wall thickness. Die casting gives the luminaire a clean and precise look while accurately controlling tolerances and repeatability.

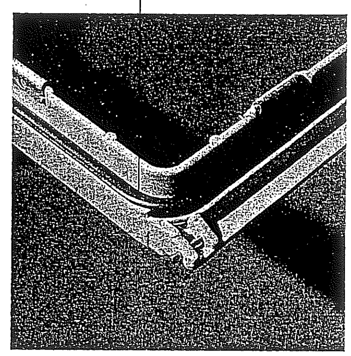










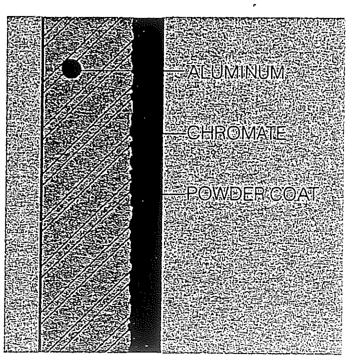


Reflector Module

Each reflector type is a self-contained module with complete interchangeability. The segmented reflector panels are precision formed specular aluminum protected by the Alzak® process. The module hinges open for ballast access and snaps out for ease of fixture mounting.

Silicone Gasketing

While lesser materials could be used, only silicone gasketing is utilized in the Wall Director because of its superior memory retention and non-outgassing properties. This assures a clean optical chamber free of residue build-up, and positive sealing after every relamping.

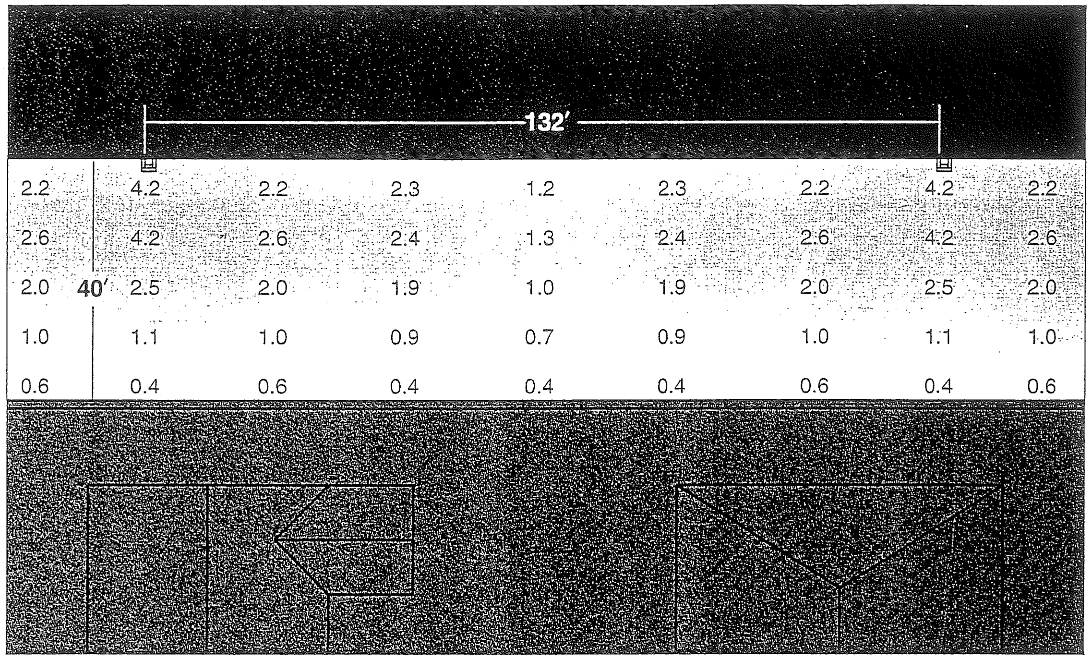


Eight Stage Finish

All paint is Super TGIC thermoset polyester powder coat applied in the following stages:

1. Power wash and degrease.
2. Detergent tank bath.
3. Clear water rinse bath.
4. Chromate bath – the best known pretreatment of aluminum for corrosion resistance and paint adhesion.
5. Clear water rinse bath.
6. Dry off oven.
7. Powder coating – 2.5 mil nominal thickness.
8. Bake for 20 minutes at 410°F. 2500 hour salt spray test rated.

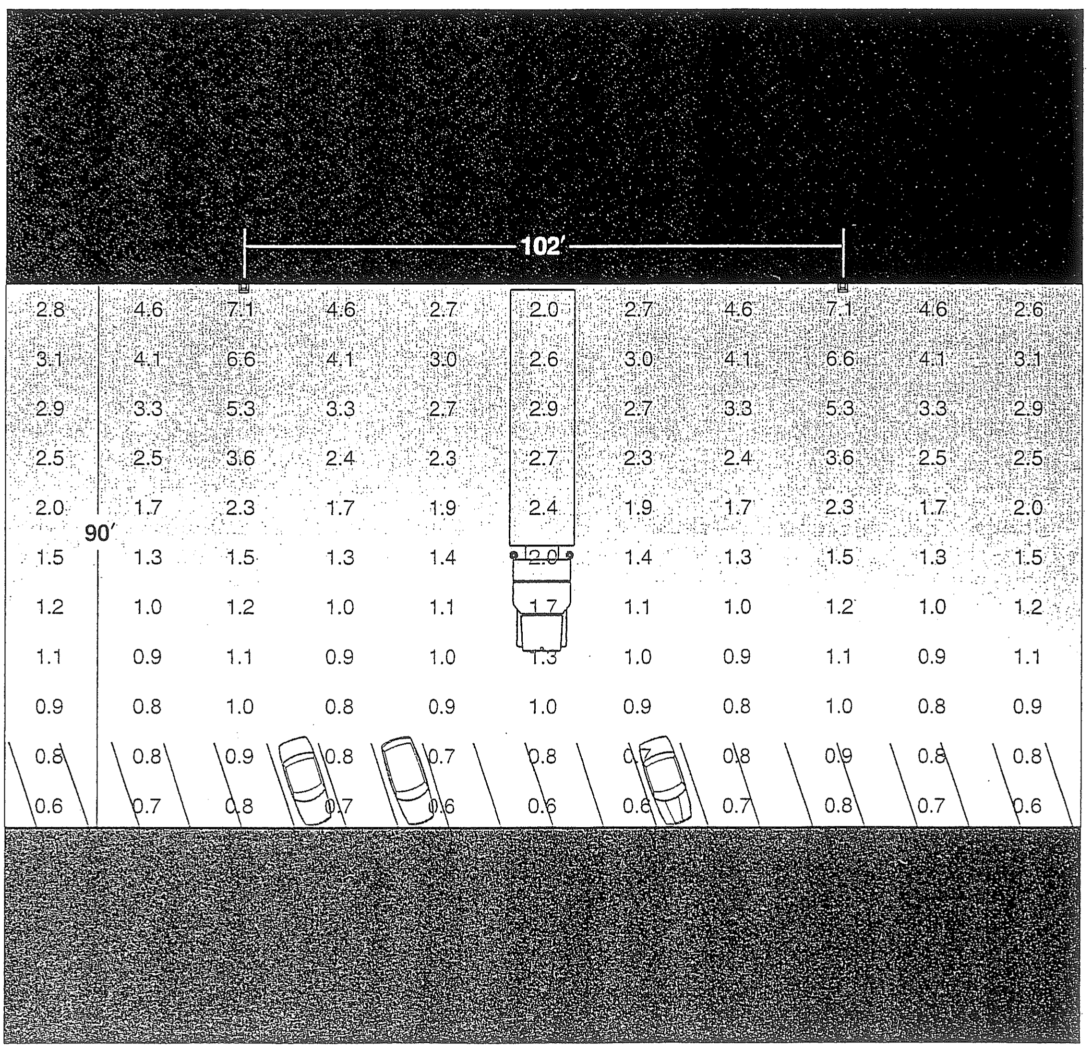
Efficiency / Uniformity



The example at left illustrates a typical application for the Type II distribution. In this instance a service area behind buildings is located next to a residential area. To avoid light trespass, the Type II reflector confines illumination to the service area with minimal spill into neighboring property.

Fixture: WD18D2/250MH
Mounting Height: 25′
Fixture Spacing: 132′
I.T.L. Test No.: 35901

Initial Average: 1.7
Initial Minimum: 0.4
Max./Min.: 11.96



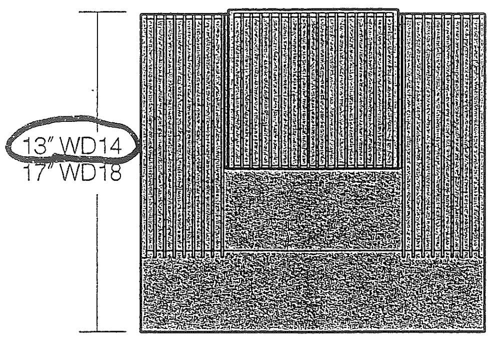
Loading docks and airport ramps are common applications for the Type IV distribution. The example at left assumes that all lighting is provided by Wall Directors. In actuality, pole mounted luminaires could be placed at the property line to contribute light from the opposite side.

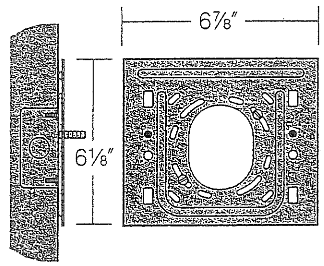
Fixture: WD18D4/400HPS
Mounting Height: 30′
Fixture Spacing: 102′
I.T.L. Test No.: 35921

Initial Average: 2.0
Initial Minimum: 0.6
Max./Min.: 11.66

Note: For uplight aiming, the same basic geometry occurs. By simply visualizing these ground surfaces as ceilings, one can see how the different light distributions can be chosen to efficiently illuminate canopies, ceilings and overhangs of varying widths.

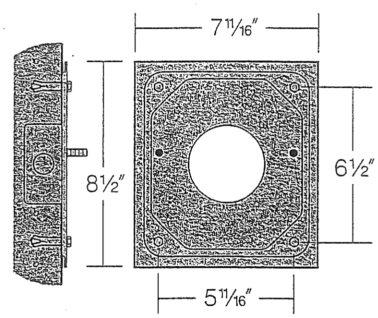
Specifications



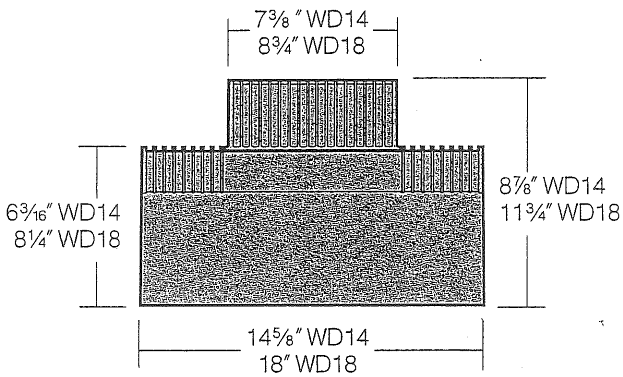


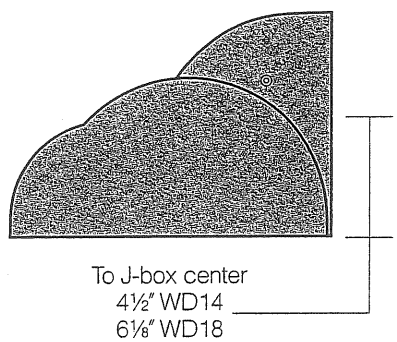
Mounting Plate-WD14
Attaches directly to any standard 4" J-box.

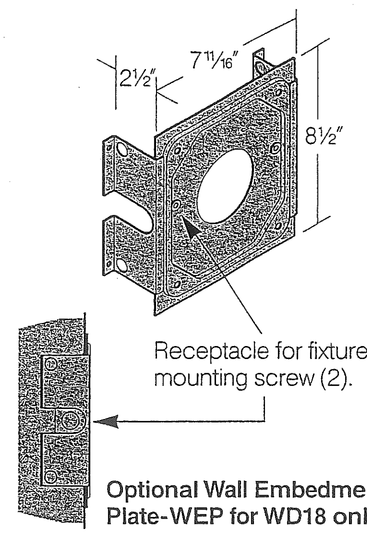
J-box in wall by others.
See note below concerning mounting to uneven surfaces.



Standard Mounting Plate-WD18
Must be securely attached to wall outside the J-box perimeter.



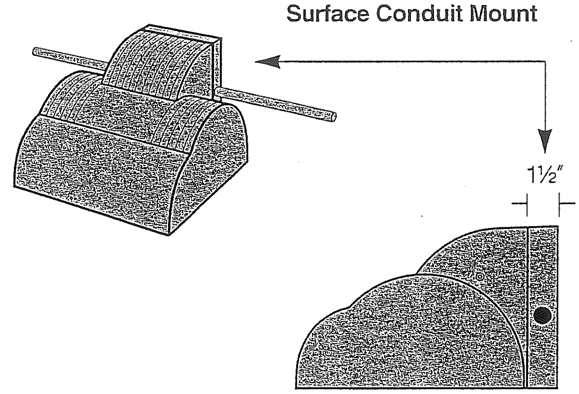


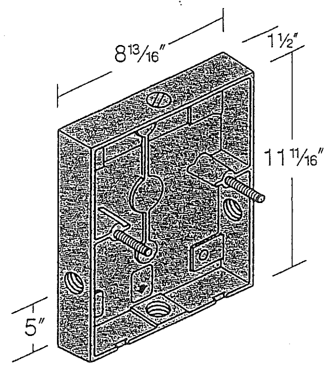


Optional Wall Embedment Plate-WEP for WD18 only

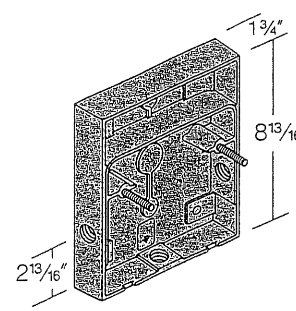
Maximum Fixture Weight:
WD14 (150HPS) - 26 lb
WD18 (400HPS) - 43 lb

Surface Conduit Mount





Surface Conduit Mount SCM for WD18
Must be securely mounted to wall surface.



Surface Conduit Mount SCM for WD14
Must be securely mounted to wall surface.

Warning: Fixtures must be grounded in accordance with local codes or the National Electrical Code. Failure to do so may result in serious personal injury.

Reflector Housing: One piece die cast aluminum with integral cooling fins. Rotates against ballast housing to provide 10° of adjustment with degree markers cast into housing. At 0° adjustment, lens is totally concealed from view above horizontal with fixture aimed downward.

Ballast Housing: One piece die cast aluminum with integral cooling fins. Fastens to mounting plate with keyhole slots freeing both hands for securing and wiring. One stainless steel socket-head screw on each side of housing frees the reflector housing to rotate for aiming. Tightening the screws locks the two housings together with sealing provided by a silicone gasket. For visual aiming, adjustment may be accomplished with the fixture on.

Lens Frame: One piece die cast aluminum with integral hinges and stainless steel pins. Two stainless steel quarter-turn fasteners secure lens frame to reflector housing with sealing provided by a one piece extruded and vulcanized silicone gasket. Lens is clear flat 3⁄16″ thick tempered glass sealed to lens frame with a silicone gasket and retainer clips. For UP models, lens is mounted flush with frame for water run off, and is silicone sealed.

Type II, III, and IV Reflector Module: Specular Alzak® optical segments are rigidly mounted to an aluminum module which attaches to the housing by a no-tool quick-disconnecting hinge and fastener. For WD14 models all sockets are porcelain medium base rated 4KV. For WD18 models all sockets are mogul base with HPS rated 4KV, and MH versions have pin-oriented sockets with molded silicone lamp stabilizers. All modules are factory prewired with a quick-disconnect plug for mating to the ballast. Available in three light distributions, all interchangeable within the same housing.

Wall Grazer Reflector Module: Specular Alzak® optical segment is rigidly formed into a self-contained module which attaches to the housing by a no-tool quick-disconnecting hinge and fastener. Black anodized louver vanes run parallel to the lamp arc for controlling the hot spot directly behind the fixture, and spill light into the atmosphere. For WD14 models all sockets are porcelain medium base rated 4KV. For WD18 models all sockets are porcelain mogul base with HPS rated at 4KV, and MH versions having pin-oriented sockets with molded silicone lamp stabilizers. All modules are factory prewired with a quick-disconnect plug for mating to the ballast.

Electrical Components: High power factor ballasts are rigidly mounted inside the housing and are factory prewired with a quick-disconnect plug for mating to the socket. Starting temperatures are –40°F for HPS lamp modes and –20°F for MH lamp modes.

Mounting Plate: For WD14 models, mounting plate attaches directly to any standard 4″ J-box. For WD18 models, standard mounting plate is attached to wall (by others) outside the J-box perimeter. Optional Wall Embedment Plate (WEP) is available for WD18 models to eliminate mechanical attachment by casting directly into poured concrete walls or columns. All mounting plates are zinc plated 14 ga. steel with reinforcing ribs. Two studs are provided in each plate with flange nuts to allow fixture mounting by keyhole slots. For rough or uneven surfaces, sealant must be applied (by others) between mounting plate and mounting surface to insure a dry J-box.

SCM Surface Mounting: One piece cast aluminum with two integral studs, provided with flange nuts to allow fixture mounting by keyhole slots.

Optional Polycarbonate Shield: (For DOWN models only) Fully gasketed one piece vacuum formed clear UV stabilized polycarbonate shield replaces standard tempered glass lens. For WD18 models—250W max. May be used with 400W HPS only in outdoor locations where ambient air temperature during fixture operation will not exceed 85°F. **CAUTION:** Use only when vandalism is anticipated to be high. Useful life is limited by UV discoloration from sunlight and MH lamps.

Finish: Super TGIC thermoset polyester powder coat paint, 2.5 mil nominal thickness, applied over a chromate conversion coating; 2500 hour salt spray test endurance rating. Standard colors are Black, Dark Bronze, Light Gray, Platinum Silver, or White. Custom colors are available and subject to additional charges, minimum quantities and longer lead times. Consult representative.

Certification: UL Listed to U.S. and Canadian safety standards for wet locations. Fixture manufacturer shall employ a quality program that is audited to ISO 9001 standards.

3.03 FALL AND WINTER STABILIZATION(September 15 or Later)

A. Stabilize exposed soils throughout the project site with permanent seed and mulch by September 15, with the exception of areas undergoing active earthmoving operations. These construction areas are primarily in the immediate vicinity of the building. For proposed grass areas not stabilized by permanent seed and mulch by this date, provide the following stabilization measures at no additional cost to the Owner. Select the appropriate methods from the options listed and obtain approval from the Architect prior to installation.

1. Stabilize the soil with temporary vegetation, except for ditches, by October 1. Place winter rye seed at the rate of 3 pounds per 1000 sq.ft. and lightly mulch with hay or straw at 75 pounds per 1000 sq.ft. Place erosion control mesh over mulch and anchor.
2. For slopes flatter than 3H:1V, place sod over the exposed soil by October 1. Roll the sod, anchor it with wire pins, and water it to promote growth.
3. For grassed areas flatter than 10H:1V, stabilize the disturbed soil by November 1with temporary winter mulching by applying hay or straw at a rate of at least 150 pounds per 1000 sq.ft., such that no soil is visible through the mulch. Anchor mulch with erosion control mesh.
4. For slopes steeper than 10H:1V and flatter than 2H:1V, place a 6" layer of erosion control soil/bark mix on the disturbed soil by November 1. Remove snow accumulated on the slope prior to installation. If groundwater seeps are present, place stone rip rap to thickness shown on drawing details over non-woven geotextile.
5. For drainage ditches or channels, place a sod lining by October 1 or place a rip rap lining by November 1. Sod shall be rolled, fastened with wire pins, anchored with erosion control mesh, and watered. Rip rap shall be placed at the thickness shown on the drawing details over a layer of non-woven geotextile.

B. If the catch of permanent or temporary grass is less than 3" tall or covers less than 75% of the disturbed soil by November 1, apply additional hay mulch at a rate of 150 pounds per 1000 sq.ft.. Anchor mulch with erosion control mesh.

C. If the catch of permanent or temporary grass is less than 3" tall or covers less than 75% of the disturbed soil on slopes steeper than 10H:1V and flatter than 2H:1V by November 1, place a 6" layer of erosion control soil/bark mix or a rip rap layer, as described above.

10.6 License and Supply Agreement between Bio-Vac, Inc. and the Registrant dated June 15, 1993 (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).

10.7 Distribution and Licensing Agreement between Kamar, Inc. and the Registrant dated December 3, 1993 (incorporated by reference to Exhibit 10.30 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).

10.8(1) Exclusive License Agreement between The Regents of the University of California of Alameda, California and the Registrant dated February 23, 1994 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 1994).

10.9+ 1995 Stock Option Plan for Outside Directors (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three months ended June 30, 1995).

10.10+ Form of Stock Option Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the three months ended June 30, 1995).

10.11 Limited Liability Company Agreement of AgriCell Company, LLC dated as of September 10, 1996 between the Registrant and Agri-Mark, Inc. of Methuen, MA (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three months ended September 30, 1996).

10.12(2) License Agreement between the Registrant and Murray Goulburn Co-operative Co., Limited, dated November 14, 1997 (incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1997).

10.13(3) Amendment No. 1 to Distribution and Licensing Agreement between the Registrant and Kamar, Inc. dated July 1, 1998 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three months ended September 30, 1998).

10.14+ Employment Agreement dated April 29, 1999 between the Registrant and Michael F. Brigham (incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1999).

10.15+ Employment Agreement dated April 29, 1999 between the Registrant and Joseph H. Crabb (incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1999).

10.16 Asset Purchase Agreement between the Registrant and Nutrition 21, Inc. dated December 30, 1999 (incorporated by reference to Exhibit 2 to the Registrant's Current Report on Form 8-K dated as of December 30, 1999).

10.17+ 2000 Stock Option and Incentive Plan of the Registrant (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three month period ended June 30, 2000).

10.18+ Form of Incentive Stock Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the three month period ended June 30, 2000).

10.19+ 2000 Stock Option Plan for Outside Directors of the Registrant (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the three month period ended June 30, 2000).

10.20+ Form of Stock Option Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the three month period ended June 30, 2000).

10.21(4) Amendment No. 2 to Distribution and Licensing Agreement between the Registrant and Kamar, Inc. dated September 28, 2000 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three month period ended September 30, 2000).

21.1 Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996).

23.1 Consent of PricewaterhouseCoopers LLP.

(1) Confidential Treatment as to certain portions obtained effective until March 31, 2002. The copy filed as an exhibit omits the information subject to the Confidential Treatment.

(2) Confidential Treatment as to certain portions obtained effective until November 14, 2012. The copy filed as an exhibit omits the information subject to the Confidential Treatment.

(3) Confidential Treatment as to certain portions obtained effective until December 31, 2003. The copy filed as an exhibit omits the information subject to the Confidential Treatment.

(4) Confidential Treatment as to certain portions has been requested effective until December 31, 2004. The copy filed as an exhibit omits the information subject to the confidentiality request.

+ Management contract or compensatory plan or arrangement.

(b) Index to Financial Statements

(d) Reports on Form 8-K

None

The Company utilized approximately $866,000 and $527,000 of net operating loss carryforwards to offset taxable income in fiscal years 2000 and 2001, respectively. As a result of the Company's two consecutive years of profitable results in 1999 and 2000 and the expectation of continued profitability, the Company recorded a tax benefit of approximately $1,967,000 in fiscal 2000 as a result of the release of the valuation allowance on the deferred tax asset related to net operating loss carryforwards. The remaining valuation allowance of approximately $154,000 and $139,000, related to the general business credit carryforward as of December 31, 2000 and 2001, respectively, has not been released due to the uncertainty of its use before expiration. This credit expires in the years 2002 through 2006. For federal and state income tax purposes, the Company has remaining net operating loss carryforwards of approximately $3,319,000, expiring from 2003 to 2018, that are available to offset future taxable income.

Accounts receivable are recorded net of a valuation allowance for doubtful accounts of approximately $39,000 and $38,000 at December 31, 2000 and 2001, respectively.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and financial statement schedule of the Company, together with the notes thereto and the report of the independent accountants thereon, are set forth on Pages F-1 through F-17 at the end of this report.

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

None

PART III

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(A) Information with respect to the Company's directors is incorporated herein by reference to the section of the Company's 2002 Proxy Statement titled "Election of the Board of Directors", which is intended to be filed with the Securities and Exchange Commission within 120 days after the end of the Company's fiscal year.

(B) The Company's executive officers are as follows:

MICHAEL F. BRIGHAM (Age: 41, Officer Since: October 1991, Director Since: March 1999) was appointed to serve as President and Chief Executive Officer in February 2000, while maintaining the titles of Treasurer and Secretary, and was appointed to serve as a Director of the Company in March 1999. He previously had been elected Vice President of the Company in December 1998 and served as Chief Financial Officer since October 1991. He has served as Secretary since December 1995 and as Treasurer since October 1991. Prior to that, he served as Director of Finance and Administration since originally joining the Company in September 1989. Mr. Brigham serves on the Board of Directors of the Biotechnology Association of Maine and of the Maine Center for Innovation in Biotechnology. Prior to joining the Company, he was employed as an audit manager for the public accounting firm of Ernst & Young. Mr. Brigham earned his Masters in Business Administration from New York University in 1989.

JOSEPH H. CRABB, Ph.D. (Age: 47, Officer Since: March 1996, Director Since: March 2001) was appointed to serve as a Director of the Company in March 2001, having previously served in that capacity during the period from March 1999 until February 2000, and was elected Vice President of the Company in December 1998, while maintaining the title of Chief Scientific Officer. He has served as Chief Scientific Officer since September 1998. Prior to that, he served as Vice President of Research and Development since March 1996. Prior to that, he served as Director of Research and Development and Senior Scientist since originally joining the Company in November 1988. Dr. Crabb currently holds a Clinical Assistant Professorship at Tufts University School of Veterinary Medicine and serves on National Institutes of Health and American Water Works Association advisory committees. Prior to joining the Company in 1988, Dr. Crabb earned his Ph.D. in Biochemistry from Dartmouth Medical School and completed postdoctoral studies in microbial pathogenesis at Harvard Medical School, where he also served on the faculty.

There is no family relationship between any director, executive officer, or person nominated or chosen by the Company to become a director or executive officer.

IMMUCELL CORPORATION AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2000 and 2001

ASSETS

	2000	2001
CURRENT ASSETS:		
Cash and cash equivalents	$1,895,149	$1,883,090
Accounts receivable, net of allowance for doubtful accounts of $39,000 and $38,000 at December 31, 2000 and 2001, respectively	875,066	974,383
Inventories	502,448	533,864
Current portion of deferred tax asset	77,651	78,650
Prepaid expenses	34,680	37,103
Total current assets	3,384,994	3,507,090
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Laboratory and manufacturing equipment	1,005,914	1,326,111
Building and improvements	586,242	1,270,551
Construction in progress	219,269	--
Office furniture and equipment	73,347	105,116
Land	50,000	50,000
	1,934,772	2,751,778
Less-accumulated depreciation	988,374	1,067,538
Net property, plant and equipment	946,398	1,684,240
DEFERRED TAX ASSET	1,851,684	1,616,416
PRODUCT RIGHTS AND OTHER ASSETS, net of amortization of $25,000 and $61,000 at December 31, 2000 and 2001, respectively	260,840	309,471
TOTAL ASSETS	$6,443,916	$7,117,217

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

income was recognized prior to 2001, approximately $133,000 was recognized in 2001, and approximately $415,000 is expected to be recognized after 2001 (not including the $400,000 award from the Maine Technology Institute, described above). Approximately $2,378,000 of this grant funding was awarded by the National Institutes of Health and $455,000 by the State of Maine and $140,000 by the USDA. In addition to the $1,891,000 that supported the development of the Company's milk antibody products for humans, approximately $666,000 has been awarded in support of the **Mast Out™** development program, $191,000 has been awarded in support of skin sanitizing applications of Nisin, $140,000 was awarded in support of **Crypto-Scan®** and $70,000 has been awarded in support of new approaches to the diagnosis of Johne's disease. The Company continues to seek research grant support as a means of leveraging the funds that it is able to spend developing new products.

Long-term bank debt decreased to $392,000 at December 31, 2001, from $414,000 at December 31, 2000. The current portion of this debt obligation increased to $22,000 at December 31, 2001 from $20,000 at December 31, 2000. The Company is obligated to make monthly principal and interest payments aggregating approximately $5,000 under the outstanding debt obligation. (See Note 4 to the accompanying financial statements for further detail on these debt obligations).

In December 2000, the Company initiated a $680,000 construction project to add a 5,300 square foot addition to its facility, which project was completed in May 2001. This additional manufacturing space was needed to increase production of **First Defense®** and to bring the manufacture of **Wipe Out® Dairy Wipes** in-house. To implement efficiencies in the manufacture of **Wipe Out**, the Company invested approximately $225,000 of cash in the acquisition of equipment necessary to eliminate the need for a subcontractor and enable the Company to manufacture the product at its facility. The projects were paid for with approximately $100,000 and $800,000 of available cash in 2000 and 2001, respectively.

Forward-Looking Statements

The statements contained in this report which are not historical fact are "forward-looking statements" that involve various important assumptions, risks, uncertainties and other factors. There can be no assurance that actual results will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors including, but not limited to, the risk factors discussed below. The Company is heavily dependent on the successful development of new products for its future growth. These new products have the potential to increase the Company's profitability.

It is the Company's objective to fund all selling, general and administrative expenses as well as all research and development expenditures that are not funded by an outside source with the gross margin earned from product sales. Continuation of the Company's profitability in the near term will, in large part, be determined by the ongoing successful marketing of **First Defense** and the **Kamar® Heatmount® Detector**. Growth in the Company's profitability beyond the year 2004 will, in large part, be determined by the success of the Company's efforts to market its new products, as well as its ability to effectively develop and acquire additional animal health products. The Company needs to successfully develop and commercialize new products to replace the anticipated decrease in revenue to be caused by the December 31, 2004 expiration of the license to sell the **Kamar Heatmount Detector**.

To advance the development of **Mast Out** toward FDA licensure, the Company would be required to incur significant, non-recurring outside laboratory expenses to fund the required toxicology, safety and efficacy trials. The Company anticipates that these expenses could aggregate approximately $500,000. Depending on the timing of when these expenses are incurred, the Company's continuing quarterly profitability could be jeopardized while management expects to be able to maintain its annual profitability objectives. These non-recurring outside laboratory expenses could cause the Company to temporarily deviate from its objective of keeping internally funded research and development expenses close to 13% of product sales. Given the potential sales that could be achieved for this product if it is successfully developed and approved by the FDA, management believes the significant investment is warranted. The Company estimates that North American sales of what could be the first non-antibiotic treatment for mastitis in lactating cows could approximate $5,000,000. Management believes that a similar sales potential exists in markets outside of North America.

It is estimated that Johne's disease (caused by *Mycobacterium paratuberculosis*) costs the U.S. dairy industry $100 to $200 million per year. Sales of **Tip-Test®: Johne's** have been severely limited by state regulatory policies and by a resistance on the part of producers to want to know the status of their herds because of the burdens associated with known positive test results. The Company is working with regulatory authorities to facilitate more frequent Johne's testing as a way to help reduce the disease incidence rate.

IMMUCELL CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	1999	2000	2001
REVENUES:			
Product sales	$4,722,374	$5,485,003	$6,395,140
Grant income	186,871	96,266	132,581
Royalty income	--	54,716	78,595
Technology licensing income	--	--	45,450
Sale of option to technology	--	--	25,000
Total revenues	4,909,245	5,635,985	6,676,766
COSTS AND EXPENSES:			
Product costs	2,152,959	2,801,392	3,214,984
Research and development expenses	812,892	922,347	849,174
Sales and marketing expenses	889,501	1,002,910	1,358,563
General and administrative expenses	438,923	495,962	583,161
Total costs and expenses	4,294,275	5,222,611	6,005,882
Net operating income	614,970	413,374	670,884
Interest and other income	72,763	100,816	62,671
Interest expense	(39,757)	(38,302)	(36,515)
Equity in net loss of joint venture	(97,133)	--	--
Net interest and other	(64,127)	62,514	26,156
INCOME BEFORE TAXES	550,843	475,888	697,040
TAX BENEFIT (EXPENSE)	--	1,746,158	(276,605)
NET INCOME	$ 550,843	$2,222,046	$ 420,435
NET INCOME PER COMMON SHARE:			
Basic	$ 0.23	$ 0.84	$ 0.15
Diluted	$ 0.22	$ 0.79	$ 0.15
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	2,432,701	2,632,038	2,717,857
Diluted	2,519,962	2,822,964	2,836,309

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

prices have generally increased in line with inflation. Grant income decreased by $91,000 (48%) to $96,000 in 2000. Royalty income was first recorded in 2000.

Aggregate sales of **First Defense®** and the **Kamar® Heatmount® Detector** totaled approximately $4,742,000 (86% of total product sales) for the year ended December 31, 2000 as compared to approximately $4,517,000 (96% of total product sales) for the year ended December 31, 1999. The sales of **First Defense** are seasonal with highest sales expected in the winter months. Sales of **First Defense** increased by 25% in the fourth quarter of 1999 as compared to the fourth quarter of 1998 and increased by 10% during the year ended December 31, 2000 as compared to 1999. While these significant increases in sales are positive indications for the product in the long term, the resulting unexpected reduction in product inventory levels caused by the sudden increase in sales volume created a backlog of orders worth approximately $250,000 as of March 31, 2000 that increased to approximately $750,000 as of December 31, 2000.

Grant income decreased to approximately $96,000 (2% of total revenues) in 2000 as compared to $187,000 (4% of total revenues) in 1999. In October 1997, the Company was awarded approximately $710,000 under a two-year federal research grant to partially fund the Company's efforts to develop a product to prevent Travelers' Diarrhea. In 1998, the remaining funding then available under this grant was reallocated to the development of **DiffGAM**. During 1999, the term of this grant was extended by one year to September 2000. Approximately $66,000 and $162,000 in grant income was recognized under this grant in 2000 and 1999, respectively. Grant income in 1999 also included approximately $25,000 from the State of Maine partially funding early stage research of a bovine vaccine technology.

Product costs amounted to 51% of product sales in 2000 as compared to 46% in 1999. Internally developed products tend to have higher gross margin percentages than licensed-in products. Some deterioration of the gross margin percentage is anticipated as new products are developed and acquired. Over time, as these products are fully integrated into the Company's manufacturing and marketing operations, the Company expects to be able to improve the gross margin percentage. This is the case, for example, with **Wipe Out® Dairy Wipes**, a new product that was acquired by the Company in December 1999. The Company is investing in the necessary facility addition and production equipment to eliminate the need for a subcontractor and be able to manufacture this product internally, which, the Company believes, should improve the gross margin. At this stage in the Company's development, management is focusing on growing the absolute dollar value of the gross margin on product sales. The gross margin on product sales earned in 2000 increased by $114,000 (4%) to $2,684,000 as compared to the gross margin earned in 1999.

The Company increased its expenditures for research and development to approximately $922,000 in 2000 as compared to $813,000 in 1999. Research and development expenses aggregated 16% and 17% of total revenues in 2000 and 1999, respectively. Research and development expenses exceeded grant income by approximately $826,000 in 2000 and by $626,000 in 1999. These "net" research and development expenses increased to 15% of product sales in 2000 from 13% of product sales in 1999. During 1998, the Company shifted the primary focus of its research and development efforts to products for the animal health industry. To expand its commercialized line of products for use by dairy and beef producers, the Company has invested in the development of new diagnostic products leveraging the Company's experience with infectious diseases. The Company has also initiated early stage development programs of certain disease preventive products. The Company has demonstrated preliminary efficacy of **DiffGAM** in a phase I/II clinical trial to prevent and treat *Clostridium difficile*-associated diarrhea. However, for clinical development to proceed into more expensive Phase II and III trials, a partner would be required. The Company has also invested in the development of a test used to detect the presence of *Cryptosporidium parvum* in drinking water.

Sales and marketing expenses increased by approximately $113,000 (13%) to $1,003,000 in 2000, aggregating 18% of product sales in 2000, compared to 19% in 1999. The 13% increase in sales and marketing expenses in 2000 is consistent with the 16% increase in product sales. The Company anticipates the ratio of these expenses to product sales to increase modestly as the Company initiates sales of new products in 2001. The Company continues to leverage its small sales force through wholesale distribution channels. General and administrative expenses were approximately $496,000 in 2000 as compared to $439,000 in 1999. The Company has continued its efforts to control its general and administrative expenses while incurring all the necessary expenses associated with being a publicly held company.

Interest income exceeded interest expense by approximately $63,000 and $33,000 in 2000 and 1999, respectively. Interest expense was incurred in both years on the Company's outstanding bank debt. The Company's share of the loss in the equity of its joint venture (AgriCell Company, LLC) aggregated $97,000 in 1999. No such expense was incurred in 2000. The Company's joint venture loss was principally caused by the limited sales of lactoferrin. The primary markets for this product at this time are in Asia, and sales have been negatively impacted by reduced demand from Asian customers and by a decrease in the world price for the commodity. As of December 31, 1999, the investment in this joint venture asset was completely written off. While the operations of the joint venture are

IMMUCELL CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	1999	2000	2001
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 550,843	$2,222,046	$ 420,435
Adjustments to reconcile net income to net cash provided by operating activities-			
Depreciation and amortization	101,537	133,158	176,725
Deferred income taxes	--	(1,746,158)	254,632
Equity share in joint venture losses	97,134	--	--
Changes in:			
Accounts receivable	(203,385)	(421,927)	(99,317)
Inventories	(44,707)	18,208	(31,416)
Prepaid expenses	17,690	(6,854)	(2,423)
Accounts payable	181,929	(82,987)	(67,994)
Accrued expenses	(26,342)	(33,981)	30,565
Deferred revenue	5,000	--	224,550
Net cash provided by operating activities	679,699	81,505	905,757
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(131,595)	(274,726)	(895,504)
Loss on disposal of fixed assets	--	--	16,890
Investment in joint venture	(13,023)	--	--
Acquisition of product rights	(250,000)	(35,000)	(84,584)
Net cash used for investing activities	(394,618)	(309,726)	(963,198)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments of debt obligations	(17,257)	(18,690)	(20,481)
Proceeds from exercise of stock options	16,959	318,372	65,863
Net cash (used for) provided by financing activities	(298)	299,682	45,382
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	284,783	71,461	(12,059)
BEGINNING CASH AND CASH EQUIVALENTS	1,538,905	1,823,688	1,895,149
ENDING CASH AND CASH EQUIVALENTS	$1,823,688	$1,895,149	$1,883,090
CASH PAID FOR INTEREST	$ 39,883	$ 38,438	$ 36,664

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

	Year Ended December 31, 1997	1998	1999	2000	2001
Statement of Operations Data:					
Total revenues	$4,556,678	$4,481,867	$4,909,245	$5,635,985	$6,676,766
Product sales	3,982,789	4,199,851	4,722,374	5,485,003	6,395,140
Research & development expenses	1,068,069	1,012,813	812,892	922,347	849,174
Net profit (loss) before taxes	263,852	(102,518)	550,843	475,888	697,040
Net profit (loss) after taxes	263,852	(102,518)	550,843	2,222,046	420,435
Per Common Share:					
Basic net profit (loss)	0.11	(0.04)	0.23	0.84	0.15
Diluted net profit (loss)	0.10	(0.04)	0.22	0.79	0.15
Stockholders' equity	0.96	0.93	1.15	2.08	2.22
Cash dividend	--	--	--	--	--
Statement of Cash Flows Data:					
Net cash provided by operating activities	103,891	639,821	679,699	81,505	905,757
Balance Sheet Data:					
Total assets	3,231,050	3,144,847	3,855,979	6,443,916	7,117,217
Cash, cash equivalents and short term investments	1,021,324	1,538,905	1,823,689	1,895,149	1,883,090
Current liabilities	561,795	443,902	605,923	490,745	564,432
Net working capital	1,642,363	1,866,222	2,219,386	2,894,249	2,942,658
Long-term liabilities	339,747	453,349	434,658	414,178	507,131
Stockholders' equity	$2,329,508	$2,247,596	$2,815,398	$5,538,993	$6,045,654

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

Results of Operations

Fiscal 2001 Compared to Fiscal 2000

Total revenues for the year ended December 31, 2001 increased by $1,041,000 (18%) to $6,677,000 from $5,636,000 in 2000. Product sales for the year ended December 31, 2001 increased by $910,000 (17%) to $6,395,000 from $5,485,000 in 2000. Product selling prices have generally increased in line with inflation. Grant income increased by $36,000 (38%) to $133,000 in 2001. Royalty income increased by $24,000 (44%) to $79,000 in 2001. Technology licensing income and sale of an option to technology were first recorded in 2001.

Aggregate sales of the two leading revenue generating products, **First Defense®** and the **Kamar® Heatmount® Detector**, totaled approximately $5,692,000 (89% of total product sales) for the year ended December 31, 2001 as compared to approximately $4,742,000 (86% of total product sales) for the year ended December 31, 2000. Aggregate sales of the three leading revenue generating products, **First Defense**, the **Kamar Heatmount Detector** and **Wipe Out® Dairy Wipes** totaled approximately $6,095,000 (95% of total product sales) for the year ended December 31, 2001 as compared to approximately $5,194,000 (95% of total product sales) for the year ended December 31, 2000. In 2001, for the first time, annual sales of **First Defense** exceeded annual sales of the **Kamar Heatmount Detector**. Sales of **First Defense** have benefited from the withdrawal of a competitive product from the market and from a significant increase in the value of calves. The sales of **First Defense** are seasonal with highest sales expected in the winter months. A sudden increase in sales volume resulted in an unexpected reduction in product inventory levels creating a backlog of orders worth approximately $250,000 as of March 31, 2000. The backlog of orders was filled as of June 30, 2000 and then increased to approximately $750,000 as of December 31, 2000. There was no backlog of orders as of December 31, 2001. Sales of the **Kamar Heatmount Detector** are subject to a license and distribution agreement that expires on December 31, 2004. Sales of **Wipe Out** were first recorded in 2000 following the December 1999 acquisition of the product.

(e) Intangible Assets

The Company provides amortization on the straight-line method by charges to operations in amounts estimated to allocate the cost of the assets from the date they are first put into use to the end of the estimated useful lives of the assets. The $250,000 acquisition of certain product rights in December 1999 is being amortized to cost of sales over the ten year period ending in December 2009, and the related manufacturing rights acquired in May 2001 for $45,000 are being amortized over the balance of the period remaining through December 2009. The $75,000 acquisition of certain other product rights that was paid for in two installments in December 2000 and July 2001 is valued at cost and is being amortized to cost of sales over the periods ending in June 2008. Intangible assets are tested annually for impairment or on an interim basis if indications of possible impairment arise. No material changes are anticipated in the remaining useful lives of intangible assets.

(f) Revenue Recognition

Revenues related to the sale of manufactured products are recorded at the time of shipment to the customer and when collectibility is reasonably assured. Non-refundable grant income is recognized as reimbursable expenses are incurred. Indirect costs which are billed to the government are subject to their review. All research and development costs are expensed as incurred, as are all patent costs. Royalty income is recorded on the accrual basis based on sales as reported to the Company by its licensee pursuant to the terms of the agreement.

Revenues from non-refundable upfront payments are deferred and recognized ratably over the period during which the earning process is completed. A grant awarded to the Company in 2001 for up to $400,000 carries a contingent payback obligation of either the full amount of the paid award within two years of first commercial sale of a product developed with the funding or, at the Company's option, two times the full amount of the paid award, which could be paid as a 2% royalty on such product sales, if any. Because of this contingent payback obligation, the funding is being recorded as deferred revenue as the cash is received by the Company, and no income is being recognized to match the development expenses as they are incurred. There is no payback obligation in the event that a product is not commercialized. In such case, the deferred revenue would be recognized at the time the product development effort is discontinued. Technology licensing income is being recognized over the twenty-two month period ending in December 2002, which represents the period during which the Company has agreed to provide clinical material to the licensee at a discount. Income from the sale of an option to technology is being recognized over the twenty month period ending in March 2003, which represents the period during which the option holder has the right to exercise its option to the related technology. Should the option holder exercise the option, the negotiated sales price for the technology is $1,300,000, which amount would be recognized when the option is exercised. As of December 31, 2001, the Company had recorded approximately $230,000 in deferred revenue comprised of $100,000 relating to grant income, $55,000 relating to technology licensing income and $75,000 relating to the sale of an option to technology, described above.

(g) Net Income Per Common Share

The basic net income per common share has been computed in accordance with Financial Accounting Standards Board Statement No. 128 by dividing the net income by the weighted average number of common shares outstanding during the year. The denominator in the diluted net income per common share calculation in 1999 was increased by 409,800 "in-the-money" common stock options and reduced by 322,539 shares that could have been repurchased with the proceeds from the exercise of these common stock options. Options to purchase 168,667 shares of common stock at prices ranging from $1.69 to $4.00 per share were outstanding during 1999 but not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive. The denominator in the diluted net income per common share calculation in 2000 was increased by 597,738 "in-the-money" common stock options and reduced by 406,812 shares that could have been repurchased with the proceeds from the exercise of these common stock options. Options to purchase 24,000 shares of common stock at $4.00 per share were outstanding during 2000 but not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive. The denominator in the diluted net income per common share calculation in 2001 was increased by 350,938 "in-the-money" common stock options and reduced by 232,486 shares that could have been repurchased with the proceeds from the exercise of these common stock options. Options to purchase 330,000 shares of common stock at prices ranging from $2.93 to $4.00 per share were outstanding during 2001 but not included in the computation of diluted net income per share, because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive. For additional disclosures regarding the outstanding common stock options see Note 6(b) and (c).

Trademarks

The Company has registered certain trademarks with the U.S. Patent and Trademark Office in connection with the marketing of its products. The Company has obtained federal trademark registration of the following trademarks: **First Defense®**, for one of its animal health products, **Crypto-Scan®**, for its water diagnostic test, **Tip-Test®**, for its on-site diagnostic product line, and **MASTiK®**, for its antibiotic susceptibility test. In addition, the Company markets two bovine products under the following trademarks: **RPT™**, **Accufirm™** and **RJT™**. In December 1999, the Company purchased the federal trademark application for **Wipe Out®** and related design and the registered trademark, the "One Step Cow Prep®". In September 2000, the Company received U.S. registration #2,385,820 for **Wipe Out**, and in November 2000, the Company received U.S. registration #2,406,502 for the related design. In November 2001, the Company received a notice of allowance for the trademark **Mast Out™**.

Government Regulation

The manufacture and sale of some of the Company's animal health products within the United States is regulated by the USDA. The manufacture and sale of disease treatment and prevention products for human health applications and for certain animal health products within the United States is subject to regulation by the FDA. Comparable agencies exist in foreign countries and foreign sales of the Company's products will be subject to regulation by such agencies. Many states (including Maine where the Company's facilities are located) have laws regulating the production, sale, distribution or use of biological products, and the Company may have to obtain approvals from regulatory authorities in states in which it proposes to sell its products. Depending upon the product and its applications, obtaining USDA and other regulatory approvals may be a relatively brief and inexpensive procedure or it may involve extensive clinical tests, incurring significant expenses and an approval process of several years' duration.

The Company has received USDA approval for **Tip-Test: BLV** (its on-site Bovine Leukemia Virus diagnostic test), **Tip-Test: Johne's** (its on-site Johne's disease diagnostic test), **First Defense** (its scours preventive product) and **RJT** (its Johne's disease diagnostic test). The Company completed an FDA Phase I/II clinical trial of **DiffGAM** (to prevent *Clostridium difficile*-associated diarrhea) under an approved Investigational New Drug application. Regulatory approval of **Crypto-Scan** from the Drinking Water Inspectorate in the United Kingdom was obtained in November 2000. The Company believes that it is in compliance with current regulatory requirements relating to the Company's business and products.

Product Liability

The manufacture and sale of certain of the Company's products entails a risk of product liability. The Company's current exposure to product liability is mitigated to some extent by the fact that the Company's current products have heretofore been principally directed towards the animal health market. The Company has maintained product liability insurance in an amount which it believes is adequate to cover its potential exposure in this area.

Employees

The Company and its wholly-owned subsidiary, the Kamar Marketing Group, Inc., currently employ approximately thirty employees, including two part-time employees. The full-time equivalent of approximately fourteen employees are engaged in manufacturing operations, seven in research and development activities, four in finance and administration and four in marketing and sales. The manufacturing personnel are also utilized, as needed, in the production of clinical material for use in research and development. The Company is not a party to any collective bargaining agreement and considers its employee relations to be excellent.

ITEM 2 - PROPERTIES

The Company owns a 15,300 square foot building at 56 Evergreen Drive in Portland, Maine. The Company currently uses this space for substantially all of its office, laboratory and manufacturing needs. A construction project that added approximately 5,300 square feet of new manufacturing space to the original 10,000 square foot building to increase the production capacity of **First Defense** and to provide in-house production capability for **Wipe Out Dairy Wipes** was completed in May 2001. The facility addition also includes a storage mezzanine of approximately 2,000 square feet. In addition, the building has 5,000 square feet of unfinished space available for potential future expansion on the second floor.

(3) ACCRUED EXPENSES

Accrued expenses consisted of the following:

	December 31, 2000	December 31, 2001
Accrued royalties	$ 91,730	$ 56,450
Accrued professional fees	25,875	36,977
Accrued payroll	41,327	88,188
Accrued other	67,078	74,960
	$226,010	$256,575
	========	========

(4) DEBT OBLIGATIONS

The Company has long term debt obligations, net of current maturities, as follows:

	December 31, 2000	December 31, 2001
8.62% Bank mortgage, collateralized by first security interest in building, due 2001 to 2003	$434,659	$414,178
Less current portion	20,481	22,317
Long term debt	$414,178	$391,861
	========	========

The Company's building mortgage has a 15 year amortization schedule with interest payable at the fixed rate of 8.62% per year for the first five years. The Company intends to repay the then outstanding principal in May 2003, but the mortgage does provide the option of resetting at a new fixed interest rate to be determined at that time for one additional five year period. Principal payments under the above debt obligations due subsequent to December 31, 2001 are approximately as follows: $22,000 in 2002 and $392,000 in 2003. The difference between the fair value and the carrying value of these debt obligations is immaterial.

(5) INCOME TAXES

The Company accounts for income taxes in accordance with Financial Accounting Standards Board Statement No. 109. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2000	December 31, 2001
Deferred tax assets:		
Net operating loss carryforward	$1,523,424	$1,323,962
Expenses currently deductible	77,651	78,650
Depreciation	0	5,265
Research and experimentation amortization	331,163	287,189
General business credit carryforward	153,968	139,233
Total deferred tax assets	2,086,206	1,834,299
Deferred tax liabilities:		
Depreciation	(2,903)	--
Total deferred tax liabilities	(2,903)	--
Net deferred tax assets before valuation allowance	2,083,303	1,834,299
Valuation allowance	(153,968)	(139,233)
Net deferred tax assets	$1,929,335	$1,695,066

In March 2001, the Company licensed certain rights for nutritional, risk reduction applications of the **DiffGAM** technology outside of North America to Novatreat Ltd of Turku, Finland. The Company received $100,000 during 2001 in connection with the initial supply of clinical material to Novatreat under the license and supply agreement. This technology licensing income is being recognized over the twenty-two month period ending in December 2002. Novatreat is responsible for the necessary product development, clinical trial and regulatory costs going forward. Beginning in 2003 and thereafter, the Company expects to earn a manufacturing gross margin and royalties on product sales under the long-term supply component of the agreement. Product ordered by Novatreat will be manufactured at the Company's plant. The license agreement does not cover the pharmaceutical applications of the Company's colonic delivery or milk processing intellectual property. The Company is currently seeking to license the North American nutritional rights and the world-wide pharmaceutical rights to the **DiffGAM** technology to one or more additional outside parties.

Since 1990, the Company has received four Phase I and three Phase II Small Business Innovation Research grants from the National Institutes of Health to support the development of milk antibody products to prevent gastrointestinal infections in humans. The value of these grants has aggregated approximately $1,891,000 since 1990, the final $66,000 of which funding was recognized during the year ended December 31, 2000.

Product to Detect Cryptosporidium in Drinking Water

Capitalizing on certain scientific knowledge gained under the Company's **CryptoGAM** research program described above, the Company developed **Crypto-Scan®** water diagnostic test. This non-animal health product utilizes the Company's immunomagnetic separation ("IMS") technology. During 1997, the Company entered into a distribution agreement with Adreck Marketing Limited covering sales in the United Kingdom, which the Company allowed to expire as of December 31, 2001. The Company is currently seeking a buyer for this product and the related technology. Initial sales in the U.K. were limited as the Company worked to gain access to the market through the applicable U.K. regulatory authorities. **Crypto-Scan** was approved by the U.K. regulatory authority in November 2000. Subsequent to the regulatory approval of this product, additional regulatory requirements were imposed by the U.K regulatory authorities that require that each user of a new product be individually validated by such authorities before using a new product in regulated testing procedures. Sales in the U.S. market would be influenced significantly by the policies of the U.S. Environmental Protection Agency.

Commercialization of Milk Protein Purification Technology for Nutritional Applications

Underlying the Company's milk antibody products for animal and human health applications is a certain expertise developed by the Company to process and purify milk proteins. The Company is realizing a return on two non-animal health applications of this technology through licensing arrangements with companies that are strategically focused on selling products to the applicable human markets.

In 1996 the Company formed a joint venture with Agri-Mark Inc. of Methuen, Massachusetts known as AgriCell Company, LLC to produce and sell a nutritional protein derived from cheese whey, known as lactoferrin. Lactoferrin is an iron-binding protein that, among several applications, can be used in infant formula, nutritional applications and certain cosmetics. The Company licensed certain rights to a patented purification system to AgriCell for use in the production of lactoferrin. In 1997, AgriCell commissioned a 6,800 square foot production facility at Agri-Mark's cheese plant in Middlebury, Vermont which was subsequently approved by the USDA, allowing the commercial production of lactoferrin to be initiated. Initial sales of lactoferrin have been limited, and the operations of the joint venture have not been profitable. The Company has a 50% ownership interest in this joint venture and is entitled to 50% of the joint venture's profits after Agri-Mark has obtained the return of an amount equal to its invested capital. Agri-Mark funded a capital investment by AgriCell in excess of $1,000,000 principally in working capital, fixed assets and production facility modifications, and Agri-Mark is entitled to a 90% priority return until it obtains the return of an amount equal to this invested capital. Additionally, Agri-Mark has the right to utilize the Company's technology to produce and sell whey protein isolate from Agri-Mark's Vermont cheese whey source. The Company is entitled to a royalty on any such sales.

In August 2001, the Company entered into an option agreement under which DMV International Nutritionals of the Netherlands paid the Company $100,000 for an option to buy the Company's interest in this joint venture. The $100,000 from this sale of an option to the technology is being recognized over the twenty month period ending in March 2003. DMV can exercise the option on or before March 2003 by paying the Company $1,300,000 for its interest in the joint venture. DMV is principally funding the operations of the joint venture during the option period.

In April 1999, a total of 93,300 non-qualified stock options were issued to the three, then-serving executive officers of the Company at an exercise price of $1.31 per share, the then current market price of the Company's common stock. These options were granted outside of the stock option plans described below. In March 2000, 31,098 of these options became exercisable. In September 2000, 20,734 of these options terminated when one of the officers separated from the Company. In September 2001, that former officer exercised 10,300 of these options. An additional 20,734 options became exercisable in March 2001, and the remaining 20,734 options became exercisable in March 2002. If not exercised, the 62,200 remaining outstanding options expire in April 2009.

(c) Stock Option Plans

In May 1989, the stockholders approved the 1989 Stock Option and Incentive Plan (the "1989 Employee Plan") pursuant to the provisions of the Internal Revenue Code of 1986, under which employees may be granted options to purchase shares of the Company's common stock at i) no less than fair market value on the date of grant in the case of incentive stock options and ii) no less than 85% of fair market value on the date of grant in the case of non-qualified stock options. Vesting requirements are determined by the Compensation and Stock Option Committee of the Board of Directors on a case by case basis. Originally, 90,000 shares of common stock were reserved for issuance under the 1989 Employee Plan; the stockholders of the Company approved an increase in this number to 190,000 shares at the August 1992 Annual Meeting and a further increase in this number to 290,000 shares at the June 1994 Annual Meeting and a further increase in this number to 340,000 shares at the June 1998 Annual Meeting. All options granted under the 1989 Employee Plan expire no later than ten years from the date of grant. The 1989 Employee Plan expired in March 1999, and no further options may be granted under the 1989 Employee Plan; however, outstanding options under the 1989 Employee Plan may be exercised in accordance with their terms.

In June 2000, the stockholders approved the 2000 Stock Option and Incentive Plan (the "2000 Employee Plan") pursuant to the provisions of the Internal Revenue Code of 1986, under which employees may be granted options to purchase shares of the Company's common stock at i) no less than fair market value on the date of grant in the case of incentive stock options and ii) no less than 85% of fair market value on the date of grant in the case of non-qualified stock options. Vesting requirements are determined by the Compensation and Stock Option Committee of the Board of Directors on a case by case basis. 250,000 shares of common stock are reserved for issuance under the 2000 Employee Plan. All options granted under the 2000 Employee Plan expire no later than ten years from the date of grant. The 2000 Employee Plan expires in June 2010, after which date no further options may be granted under the 2000 Employee Plan; however, any outstanding options under the 2000 Employee Plan may be exercised in accordance with their terms.

In June 2000, the stockholders approved the 2000 Stock Option Plan for Outside Directors (the "2000 Outside Director Plan") pursuant to the provisions of the Internal Revenue Code of 1986. Under the 2000 Outside Director Plan, each of the five, then-serving outside directors of the Company was automatically granted a non-qualified stock option to purchase 15,000 shares of common stock at its fair market value on the date the 2000 Outside Director Plan was approved by the stockholders. Directors who are newly elected to the Board subsequent to June 2000 receive an automatic grant of an option to purchase 15,000 shares, at the fair market value on the date when such directors are first elected to the Board by the stockholders. One-third of the options subject to the grant vest on the date that the director is first re-elected to the Board by the stockholders; an additional 5,000 options vest on the second date that the director is re-elected to the Board by the stockholders; and the remaining 5,000 options vest on the third date that the director is re-elected to the Board by the stockholders. 120,000 shares of common stock are reserved for issuance under the 2000 Outside Director Plan. All options granted under the 2000 Outside Director Plan expire no later than five years from the date of grant. The 2000 Outside Director Plan expires in June 2005, after which date no further options may be granted under the 2000 Outside Director Plan; however, any outstanding options under the 2000 Outside Director Plan may be exercised in accordance with their terms.

marketing effort for the **Kamar® Heatmount® Detector** was transitioned back to Kamar, funded by the royalty on sales paid by the Company to Kamar. The Company sells **Wipe Out® Dairy Wipes** directly to the dairy producer. The two **Tip-Test®** products, **MASTiK®** and **CMT** are sold principally to bovine veterinarians.

The Company is a leader in the scours (diarrhea) prevention market with its product **First Defense®**. With the acquisition of **Wipe Out Dairy Wipes**, the Company entered the mastitis market, which disease costs the U.S. dairy industry an estimated $1 to $2 billion per year. Under its Intelligent Mastitis Management™ program, the Company intends to coordinate its efforts in this disease area and add value to dairy producers by offering a range of useful products. **Wipe Out** helps prevent the infection, the Company's **California Mastitis Test** is used to determine which quarter is infected with mastitis and **MASTiK** helps the producer select the most effective antibiotic to help treat it. In addition, the Company is in the process of developing **Mast Out™**, a Nisin-based treatment for mastitis as an alternative to antibiotics. The commercial introduction of this product is subject to approval by the U.S. Food and Drug Administration ("FDA"). The U.S. market for products in this category in lactating cows is estimated at $20,000,000 per year. **Tip-Test: Johne's** and **Tip-Test: BLV** comprise the Company's line of on-site infectious disease diagnostic products.

The Company spent 18% and 21% of product sales on sales and marketing expenses in the years ended December 31, 2000 and 2001, respectively. Going forward, the Company expects to invest slightly more than 20% of product sales in selling expenses as it launches new products and initiates new product sales.

Foreign Sales

Foreign product sales represented approximately 24%, 22% and 22% of the Company's total product sales for the years ended December 31, 1999, 2000 and 2001, respectively. The majority of these foreign sales were to Canada, Australia, New Zealand and European countries. It is anticipated that a significant amount of the Company's future sales will continue to be made outside of the United States.

With the exception of Australia and New Zealand, the Company currently prices most of its products in U.S. dollars. An increase in the value of the dollar in any foreign country in which the Company's products are sold may have the effect of increasing the local price of such products, thereby leading to a reduction in demand. Price adjustments have been made on occasion to mitigate these effects. Such a negative impact of the strong U.S. dollar was experienced in sales to Pacific rim countries. On the other hand, to the extent that the value of the dollar may decline with respect to a foreign currency, the Company's competitive position may be enhanced.

Research and Development

Beginning in 1998, the Company shifted the primary focus of its research and development efforts to products for the dairy and beef industry. This focus continued through 2001 and is expected to continue in 2002 and beyond. To expand its commercialized line of products for use by dairy and beef producers, the Company continues to invest in the development of new diagnostic products leveraging the Company's experience with infectious diseases. The Company also is investing in development programs of certain disease treatment and preventive products.

In April 2000, the Company acquired an exclusive license to develop and market Nisin-based products for animal health applications from Nutrition 21, Inc. Nisin is a bacteriocin with activity against gram positive and some gram negative bacteria. The lead application of this technology being developed by the Company is an intramammary infusion product to treat mastitis. The Company intends to market this product under the **Mast Out** brand name if regulatory approval from the FDA is obtained. **Mast Out** could prove to be a much needed alternative to the current use of antibiotics in the treatment of mastitis. Antibiotic use forces producers to discard milk during the course of antibiotic treatment and contributes to the growing concern about overuse of antibiotics in food animals.

The Company maintains relationships with several scientific advisors that have particular expertise in the areas targeted by the Company. The Company's research and development activities are conducted internally and through contracts with third parties depending upon the availability of staff, the technical skills required, the nature of the particular project and other considerations. As additional opportunities to commercialize the Company's technology become apparent, the Company may begin new research and development projects. The Company spent approximately $813,000, $922,000 and $849,000 on research and development activities during the years ended December 31, 1999, 2000 and 2001, respectively. These expenditures were in part supported by grant and technology licensing income totaling approximately $187,000, $96,000 and $178,000 during the years ended December 31, 1999, 2000 and 2001, respectively.

	1999	2000	2001
Risk-free interest rate	5.8%	5.5%	4.2%
Dividend yield	0	0	0
Expected volatility	76.2%	45.6%	45.8%
Expected life	5 years	3 years	2.5 years

(e) **Common Stock Rights Plan**

In September 1995, the Board of Directors of the Company adopted a Common Stock Rights Plan and declared a dividend of one common share purchase right (a "Right") for each of the then outstanding shares of the common stock of the Company. Each Right entitles the registered holder to purchase from the Company one share of common stock at an initial purchase price of $70.00 per share, subject to adjustment. The description and terms of the Rights are set forth in a Rights Agreement between the Company and American Stock Transfer & Trust Co., as Rights Agent.

The Rights become exercisable and transferable apart from the common stock upon the earlier of (i) 10 days following a public announcement that a person or group (acquiring person) has, without the prior consent of the Continuing Directors (as such term is defined in the Rights Agreement), acquired beneficial ownership of 15 percent or more of the outstanding common stock, or (ii) 10 days following commencement of a tender offer or exchange offer the consummation of which would result in ownership by a person or group of 20% or more of the outstanding common stock (the earlier of such dates being called the "Distribution Date").

Upon the acquisition of 15% or more of the Company's common stock by an acquiring person, the holder of each Right not owned by the acquiring person would be entitled to purchase common stock having a market value equal to two times the exercise price of the Right (i.e., at a 50 percent discount). If, after the Distribution Date, the Company should consolidate or merge with any other entity and the Company were not the surviving company, or, if the Company were the surviving company, all or part of the Company's common stock were changed or exchanged into the securities of any other entity, or if more than 50% of the Company's assets or earning power were sold, each Right would entitle its holder to purchase, at the Rights' then-current purchase price, a number of shares of the acquiring company's common stock having a market value at that time equal to twice the Right's exercise price.

At any time after a person or group becomes an acquiring person and prior to the acquisition by such person or group of 50% or more of the outstanding common stock, the Board of Directors of the Company may exchange the Rights (other than Rights owned by such person or group which have become void), in whole or in part, at an exchange ratio of one share of common stock per Right (subject to adjustment).

At any time prior to fourteen days following the date that any person or group becomes an acquiring person (subject to extension by the Board of Directors), the Board of Directors of the Company may redeem the then outstanding Rights in whole, but not in part, at a price of $.005 per Right, subject to adjustment. The Rights will expire on the earlier of (i) the close of business on September 19, 2005, or (ii) the time at which the Rights are redeemed by the Company.

(7) **COMMITMENTS AND CONTINGENCIES**

The Company has entered into employment contracts with its two executive officers which could require the Company to pay three months' salary as severance pay depending upon the circumstances of any termination of employment of these key employees.

In 1998, the Company entered into a renewal of its service and license agreement effective through December 31, 2003 with Kamar, Inc. whereby Kamar will continue to provide the Company warehousing, distribution and certain other services and the Company will continue to market a certain bovine heat detection device under an exclusive world-wide license. The renewal agreement was initially cancelable by either party upon twelve months written notice. In September 2000, this license was extended by one year to December 31, 2004, and the right of Kamar to cancel early without cause was eliminated. The Company is committed to pay Kamar a monthly fee for distribution services and related license fees of approximately $22,000 (adjusted annually for inflation) until the license agreement terminates. Royalties paid to Kamar on sales made during the years ended December 31, 1999, 2000 and 2001 were $228,000, $389,000 and $664,000, respectively.

The research, manufacturing and marketing of human and animal health care products by the Company entail an inherent risk that liability claims will be asserted against the Company. The Company feels it has adequate levels of liability insurance to support its operations.

PART I

ITEM 1 - BUSINESS

General

ImmuCell Corporation (the "Company") is a biotechnology company dedicated to producing innovative and proprietary products that improve animal health and productivity in the dairy and beef industry. During 2001, the Company invested in an addition to its facility in Portland, Maine and the necessary manufacturing equipment to expand production of **First Defense®** and to bring the production of **Wipe Out® Dairy Wipes** in-house. Also during 2001, the Company made progress in its on-going efforts to realize value from and divest its non-animal health related assets by licensing certain nutritional rights to its **DiffGAM** technology to an outside party and by entering into an option agreement to sell its ownership interest in its lactoferrin producing joint venture.

From its inception in 1982, the Company has engaged in the research and development of infectious disease diagnostic tests and products for therapeutic and preventive use against certain infectious diseases in animals and humans. Prior to 1999, the Company invested significant funds in the development of products utilizing its core technologies for human health product applications. Since 1999, the Company has focused the majority of its product development efforts on animal health products for the dairy and beef industry. Research and development expenses amounted to 16% and 13% of total revenues in 2000 and 2001, respectively. Internally funded research and development expenses (those expenses not supported by outside sources of funding such as grant and technology licensing income) amounted to 15% and 10% of product sales in 2000 and 2001, respectively. Initiated in 2000, the Company's primary research and development program is the application of Nisin as an alternative to antibiotics in the treatment of mastitis in dairy cows. The Company intends to continue to partially offset the cost of its research and development efforts through government grants. When product sales increase, the Company can reduce the ratio of internally funded research and development expenses to sales, while not materially decreasing the absolute dollar value of the investment in product development.

One result of this shift in strategic focus to animal health products, which are generally less expensive to develop than human health products, is that the Company was able to record consecutive net income for each of the three years ended December 31, 2001. Product sales increased by $910,000, an increase of 17%, to $6,395,000 for the year ended December 31, 2001. The compound growth rate of product sales for the three years ended December 31, 2001 was 15%.

While working to minimize deviations from its animal health objectives, the Company continues to seek a return on the research and development efforts made principally prior to 1999 in four ways: 1) earning royalty income from the application of its milk protein purification technology to the production of whey protein isolate, 2) achieving a return on its investment in **Crypto-Scan®**, 3) licensing rights to **DiffGAM** to a partner and 4) selling its ownership interest in its joint venture that utilizes its milk protein purification technology to produce lactoferrin.

Animal Health Products for the Dairy and Beef Industry

In December 2001, the Company obtained approval from the U.S. Department of Agriculture ("USDA") to sell **Tip-Test®: BLV**, which is a rapid, on-site immunodiagnostic test for the detection of Bovine Leukemia Virus ("BLV") infections. BLV is a highly prevalent disease in U.S. dairy and beef herds and can cause Leukosis, a severe and often fatal complication in a small percentage of cattle infected with BLV. This highly sensitive and specific product delivers on-site results from a blood or serum sample in about twenty minutes, which is a significant advantage to dairy and beef producers in comparison to the existing diagnostic technology that is performed in centralized laboratories.

In early 2001, the Company initiated commercial sales of its internally developed **California Mastitis Test ("CMT")**. This test can be performed cow-side for early detection of mastitis (inflammation of the mammary gland). **CMT** was developed for individual cow and bulk tank somatic cell monitoring.

In December 2000, the Company acquired the product **MASTiK®, Mastitis Antibiotic Susceptibility Test Kit**, from Lotek, Inc. of Pomfret Center, Connecticut. The Company paid $35,000 on closing for the rights to this product and related patent and paid an additional $40,000 in July 2001 to maintain ownership of the product. **MASTiK** helps veterinarians and dairy producers quickly select the antibiotic most likely to be effective in the treatment of individual cases of mastitis. **MASTiK** can usually provide this answer in less than one day, which is dramatically faster than the other commonly used antibiotic susceptibility tests.

Fiscal 2001:	Animal Health Products	R&D	Other	Total
Product sales	$6,261	--	$ 134	$6,395
Grant income	--	$ 133	--	133
Royalty income	--	--	79	79
Technology licensing income	--	45	--	45
Sale of option to technology	--	--	25	25
Total revenues	6,261	178	238	6,677
Product costs	3,169	--	46	3,215
Research and development	--	849	--	849
Sales and marketing expenses	1,359	--	--	1,359
Other expenses, net	--	--	557	557
Income (loss) before taxes	1,733	(671)	(365)	697
Tax expense	--	--	277	277
Net income (loss)	$1,733	$(671)	$(642)	$ 420

(9) EMPLOYEE BENEFITS

The Company has a 401(k) savings plan in which all employees completing one year of service with the Company (working at least 1,000 hours) are eligible to participate. Participants may contribute up to 20% of their annual compensation to the plan, subject to certain limitations. Beginning January 1, 1994, the Company matched 50% of each employee's contribution to the plan up to a maximum match of 3% of each employee's base compensation. Under this matching contribution program, the Company paid approximately $18,000 and $20,000 to the plan for the years ended December 31, 1999 and 2000, respectively. Beginning January 1, 2001, the Company increased this matching contribution to 50% of each employee's contribution to the plan up to a maximum match of 4% of each employee's base compensation. Under this matching contribution program, the Company paid approximately $29,000 to the plan for the year ended December 31, 2001.

(10) UNAUDITED QUARTERLY FINANCIAL DATA

The following tables present the quarterly information for fiscal years 2000 and 2001 (in thousands, except per share amounts):

	Fiscal Quarters Ended			
Fiscal 2000:	March 31	June 30	September 30	December 31
Total revenues	$1,447	$1,459	$1,138	$1,592
Income (loss) before taxes	227	64	(13)	198
Net income (loss)	227	64	(13)	1,944 *
Net income (loss) per common share:				
Basic	$0.09	$0.02	$(0.01)	$0.74
Diluted	$0.08	$0.02	$(0.01)	$0.70

*See Note 5 for description of deferred tax valuation reserve release.

	Fiscal Quarters Ended			
Fiscal 2001:	March 31	June 30	September 30	December 31
Total revenues	$1,489	$1,837	$1,388	$1,964
Income (loss) before taxes	193	175	(80)	410
Net income (loss)	116	105	(57)	255
Net income (loss) per common share:				
Basic	$0.04	$0.04	$(0.02)	$0.09
Diluted	$0.04	$0.04	$(0.02)	$0.09

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Signatures

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

IMMUCELL CORPORATION

Date: March 22, 2002	By: /s/ Michael F. Brigham Michael F. Brigham President, Chief Executive Officer and Treasurer

POWER OF ATTORNEY

We, the undersigned directors and officers of ImmuCell Corporation hereby severally constitute and appoint Michael F. Brigham our true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for us and in our stead, in any and all capacities, to sign any and all amendments to this report and all documents relating thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing necessary or advisable to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or to be done by virtue hereof.

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

Date: March 22, 2002	By: /s/ Michael F. Brigham Michael F. Brigham President, Chief Executive Officer, Treasurer and Director
Date: March 22, 2002	By: /s/ Anthony B. Cashen Anthony B. Cashen, Director
Date: March 22, 2002	By: /s/ Joseph H. Crabb Joseph H. Crabb, Ph.D., Director
Date: March 22, 2002	By: /s/ Keith N. Haffer Keith N. Haffer, Ph.D., Director
Date: March 22, 2002	By: /s/ William H. Maxwell William H. Maxwell, M.D., Director
Date: March 22, 2002	By: /s/ Jonathan E. Rothschild Jonathan E. Rothschild, Director
Date: March 22, 2002	By: /s/ Mitchel Sayare Mitchel Sayare, Ph.D., Director