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

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 31, 2000

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to ____

Commission file number: 0-26642

MYRIAD GENETICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	87-0494517
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

320 Wakara Way, Salt Lake City, UT	84108
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (801) 584-3600

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 [_]

As of February 12, 2001 the registrant had 23,235,636 shares of $0.01 par value common stock outstanding.

MYRIAD GENETICS, INC.

INDEX TO FORM 10-Q

		Page
	PART I - Financial Information	
Item 1.	Financial Statements:	
	Condensed Consolidated Balance Sheets as of December 31, 2000 (unaudited) and June 30, 2000	3
	Condensed Consolidated Statements of Operations for the three and six months ended December 31, 2000 and 1999 (unaudited)	4
	Condensed Consolidated Statements of Cash Flows for the six months ended December 31, 2000 and 1999 (unaudited)	5
	Notes to Condensed Unaudited Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	9
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	13
	PART II - Other Information	
Item 1.	Legal Proceedings	15
Item 2.	Changes in Securities	15
Item 3.	Defaults Upon Senior Securities	15
Item 4.	Submission of Matters to a Vote of Security Holders	15
Item 5.	Other Information	16
Item 6.	Exhibits and Reports on Form 8-K	16
SIGNATURE(S)		17

MYRIAD GENETICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) Dec. 31, 2000	June 30, 2000
Assets		
Current assets:		
Cash and cash equivalents	$ 92,427,846	$ 56,214,736
Marketable investment securities	24,740,999	24,286,955
Trade accounts receivables, less allowance for doubtful accounts of $215,000 at Dec. 31, 2000 and $145,000 at June 30, 2000	3,336,612	2,352,154
Prepaid expenses	1,907,350	2,678,984
Other receivables	428,955	398,947
Total current assets	122,841,762	85,931,776
Equipment and leasehold improvements:		
Equipment	19,412,752	16,965,545
Leasehold improvements	4,154,881	4,005,729
	23,567,633	20,971,274
Less accumulated depreciation and amortization	11,473,327	9,719,556
Net equipment and leasehold improvements	12,094,306	11,251,718
Long-term marketable investment securities	23,065,777	8,154,153
Other assets	3,479,845	1,037,658
	$161,481,690	$106,375,305
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,594,749	$ 4,262,359
Accrued liabilities	4,348,310	4,905,857
Deferred revenue	12,760,244	19,500,442
Total current liabilities	21,703,303	28,668,658
Stockholders' equity:		
Common stock, $0.01 par value, 60,000,000 shares authorized; issued and outstanding 23,053,480 at Dec. 31, 2000 and 21,866,482 at June 30, 2000	230,535	218,666
Additional paid-in capital	195,405,111	130,235,403
Accumulated other comprehensive income (loss)	64,630	(85,440)
Accumulated deficit	(55,921,889)	(52,661,982)
Total stockholders' equity	139,778,387	77,706,647
	$161,481,690	$106,375,305

See accompanying notes to condensed consolidated financial statements.

MYRIAD GENETICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	(Unaudited) Three Months Ended December 31,		(Unaudited) Six Months Ended December 31,	
	2000	1999	2000	1999
Revenues:				
Research revenue	$7,988,017	$6,255,872	$15,757,268	$11,503,517
Predictive medicine revenue	3,965,898	2,023,871	7,015,906	3,638,157
Total revenues	11,953,915	8,279,743	22,773,174	15,141,674
Costs and expenses:				
Predictive medicine cost of revenue	1,726,998	989,156	3,032,360	1,792,087
Research and development expense	9,351,036	6,205,468	18,141,833	11,992,270
Selling, general and administrative	4,080,244	3,353,944	8,023,633	6,375,930
Total expenses	15,158,278	10,548,568	29,197,826	20,160,287
Operating loss	(3,204,363)	(2,268,825)	(6,424,652)	(5,018,613)
Other income (expense):				
Interest income	2,022,100	736,664	3,420,393	1,310,453
Other	(7,183)	(344,989)	(255,648)	(360,082)
	2,014,917	391,675	3,164,745	950,371
Net loss	($1,189,446)	($1,877,150)	($3,259,907)	($4,068,242)
Basic and diluted loss per share	($0.05)	($0.09)	($0.15)	($0.21)
Basic and diluted weighted average shares outstanding	22,698,098	20,247,804	22,365,347	19,556,638

See accompanying notes to condensed consolidated financial statements.

MYRIAD GENETICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	(Unaudited) Dec. 31, 2000	(Unaudited) Dec. 31, 1999
Cash flows from operating activities:		
Net loss	($3,259,907)	($4,068,242)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,776,909	1,565,663
Loss on disposition of assets	255,648	360,082
Bad debt expense	70,000	35,410
Increase in trade receivables	(1,054,458)	(510,936)
(Increase) decrease in other receivables	(30,008)	1,742,247
(Increase) decrease in prepaid expenses	771,634	(289,080)
Increase in other assets	-	(332,774)
Increase (decrease) in accounts payable and accrued expenses	(225,157)	1,071,169
Increase (decrease) in deferred revenue	(6,740,198)	11,966,662
Net cash provided by (used in) operating activities	(8,435,537)	11,540,201
Cash flows from investing activities:		
Capital expenditures	(2,617,332)	(1,582,927)
Investment in pharmaceutical company	(2,700,000)	-
Net change in marketable investment securities	(15,215,598)	1,095,091
Net cash used in investing activities	(20,532,930)	(487,836)
Cash flows from financing activities:		
Net proceeds from issuance of common stock	65,181,577	11,222,686
Net cash provided by financing activities	65,181,577	11,222,686
Net increase in cash and cash equivalents	36,213,110	22,275,051
Cash and cash equivalents at beginning of period	56,214,736	5,404,944
Cash and cash equivalents at end of period	$ 92,427,846	$ 27,679,995

See accompanying notes to condensed consolidated financial statements.

MYRIAD GENETICS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(1) Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared by Myriad Genetics, Inc. (the "Company") in accordance with generally accepted accounting principles for interim financial information and pursuant to the applicable rules and regulations of the Securities and Exchange Commission. The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. In the opinion of management, the accompanying financial statements contain all adjustments (consisting of normal and recurring accruals) necessary to present fairly all financial statements. The financial statements herein should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 2000, included in the Company's Annual Report on Form 10-K and Amendment No. 1 to Form 10-K on Form 10-K/A for the year ended June 30, 2000. Operating results for the three and six month periods ended December 31, 2000 may not necessarily be indicative of the results to be expected for any other interim period or for the full year.

(2) Comprehensive Loss (Unaudited)

The components of the Company's comprehensive loss are as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2000	1999	2000	1999
Net loss	($1,189,446)	($1,877,150)	($3,259,907)	($4,068,242)
Unrealized gain (loss) on available-for-sale securities	127,117	(16,842)	150,070	(16,869)
Comprehensive loss	($1,062,329)	($1,893,992)	($3,109,837)	($4,085,111)

(3) Net Loss Per Common Share

Loss per common share is computed based on the weighted-average number of common shares and, as appropriate, dilutive potential common shares outstanding during the period. Stock options and warrants are considered to be potential common shares.

Basic loss per common share is the amount of loss for the period available to each share of common stock outstanding during the reporting period. Diluted earnings per share is the amount of loss for the period available to each share of common stock outstanding during the reporting period and to each share that would have been outstanding assuming the issuance of common shares for all dilutive potential common shares outstanding during the period.

In calculating loss per common share the net loss and the weighted average common shares outstanding were the same for both the basic and diluted calculation.

As of December 31, 2000 and 1999, there were antidilutive potential common shares of 3,751,298 and 3,506,968, respectively. Accordingly, these potential common shares were not

included in the computation of diluted loss per share for the years presented, but may be dilutive to future basic and diluted earnings per share.

4) Segment and Related Information

The Company's business units have been aggregated into two reportable segments: (i) research and (ii) predictive medicine. The research segment is focused on the discovery and sequencing of genes related to major common diseases, marketing of subscriptions to proprietary database information, and the development of therapeutic products for the treatment and prevention of major diseases. The predictive medicine segment provides testing to determine predisposition to common diseases.

The accounting policies of the segments are the same as those described in the basis of presentation (note 1). The Company evaluates segment performance based on results from operations before interest income and expense and other income and expense. The Company's assets are not identifiable by segment.

	Research	Predictive medicine	Total
Three months ended Dec. 31, 2000:			
Revenues	$7,988,017	$3,965,898	$11,953,915
Depreciation and amortization	620,903	277,864	898,767
Segment operating loss	1,525,603	1,678,760	3,204,363
Three months ended Dec. 31, 1999:			
Revenues	6,255,872	2,023,871	8,279,743
Depreciation and amortization	582,021	189,915	771,936
Segment operating loss	641,612	1,627,213	2,268,825
Six months ended Dec. 31, 2000:			
Revenues	15,757,268	7,015,906	22,773,174
Depreciation and amortization	1,256,880	520,029	1,776,909
Segment operating loss	2,883,336	3,541,316	6,424,652
Six months ended Dec. 31, 1999:			
Revenues	11,503,517	3,638,157	15,141,674
Depreciation and amortization	1,190,624	375,039	1,565,663
Segment operating loss	2,228,560	2,790,053	5,018,613

	Three Months Ended		Six Months Ended	
	(Unaudited) Dec. 31, 2000	(Unaudited) Dec. 31, 1999	(Unaudited) Dec. 31, 2000	(Unaudited) Dec. 31, 1999
Total operating loss for reportable segments	($3,204,363)	($2,268,825)	($6,424,652)	($5,018,613)
Interest income	2,022,100	736,664	3,420,393	1,310,453
Other	(7,183)	(344,989)	(255,648)	(360,082)
Net loss	($1,189,446)	($1,877,150)	($3,259,907)	($4,068,242)

(5) Investment in Pharmaceutical Company

In December 2000, we acquired from Encore Pharmaceuticals, Inc. worldwide, exclusive rights to develop, manufacture, and market a drug aimed at the prevention and treatment of prostate, colon, and other cancers. As part of the agreement the Company made an equity investment in Encore of $2.7 million, paid $300,000 in non-equity funding, and agreed to pay Encore future development milestones and a royalty on any future sales of the drug.

(6) Subsequent Events

In July 1999, we entered into a two-year collaboration and license agreement with Syngenta (formerly the Novartis Agricultural Discovery Institute, Inc.). During January 2001, the Company announced that it had completed DNA sequencing of the entire rice genome ahead of schedule, triggering a $3 million cash bonus payment. Remaining collaboration funding will be used to expand the scope of the existing agreement to include the use of the Company's ProNet(R) technology. Remaining funding, including the cash bonus payment, will be recognized on a percent-complete basis over the life of the expanded agreement.

(7) Recent Accounting Pronouncements

In December 1999, the Securities and Exchange Commission staff released Staff Accounting Bulletin No. 101, Revenue Recognition, (SAB 101) to provide guidance on the recognition, presentation and disclosure of revenue in financial statements; however, SAB 101 does not change existing literature on revenue recognition. SAB 101 explains the staff's general framework for revenue recognition, stating that four criteria need to be met in order to recognize revenue. The four criteria, all of which must be met, are the following:

- There must be persuasive evidence of an arrangement;
- Delivery must have occurred or services must have been rendered;
- The selling price must be fixed or determinable; and
- Collectibility must be reasonably assured.

The Company will adopt SAB 101 during the quarter ended June 30, 2001. The Company has evaluated its current revenue recognition policy and believes it is in compliance with this guidance.

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

Overview

We are a leader in the emerging field of proteomics and gene-based medicine focusing on the development of therapeutic and predictive medicine products. We have developed, and will continue to expand upon, a number of proprietary proteomic technologies which permit us, through the use of our bioinformatics and robotics systems, to identify genes and related proteins that may play a role in the onset or progression of major human diseases. We formed two wholly owned subsidiaries, Myriad Pharmaceuticals, Inc. and Myriad Genetic Laboratories, Inc., to commercialize our therapeutic discoveries and predictive medicine discoveries, respectively. Myriad Pharmaceuticals, Inc., independently and in conjunction with collaborative partners, focuses on the discovery and development of therapeutic products. Myriad Genetic Laboratories, Inc. focuses on the development of predictive medicine products that assess a person's risk of developing a specific disease and permits physicians and their patients to take appropriate health care measures to reduce the risk.

We have devoted substantially all of our resources to maintaining our research and development programs, supporting collaborative research agreements, operating a predictive medicine laboratory, establishing high-throughput drug screening, and undertaking drug discovery and development. Our revenues have consisted primarily of research payments received pursuant to collaborative agreements, upfront fees, milestone payments, and sales of predictive medicine products. We have yet to attain profitability and, for the three months ended December 31, 2000, we had a net loss of $1,189,446 and as of December 31, 2000 had an accumulated deficit of $55,921,889.

In September 1995, we commenced a five-year collaborative research and development arrangement with Bayer Corporation. The total equity investment, research funding and potential milestone payments under this collaboration may provide us with up to $71,000,000. In November 1997, December 1998, and December 2000, we announced expansions of our collaborative research and development arrangement with Bayer. The expanded collaboration and extensions may provide us with additional research funding and potential milestone payments of up to $137,000,000. We granted Bayer an exclusive worldwide license to human therapeutic products developed from this collaboration. We are entitled to receive royalties from sales of therapeutic products commercialized by Bayer for a term of ten years following the first commercial sale or 20 years following discovery of a disease gene, whichever is longer. We have received approximately $35,000,000 in non-refundable research payments to date under this agreement.

In October 1996, we announced the introduction of BRACAnalysis(R), a comprehensive BRCA1 and BRCA2 gene sequence analysis for susceptibility to breast and ovarian cancer. In January 1998, we announced the introduction of CardiaRisk(R), which may assist physicians both in identifying which hypertensive patients are at a significantly increased risk of developing cardiovascular disease and identifying which patients are likely to respond to low salt diet therapy and antihypertensive drug therapy. In September 2000, we announced the launch of COLARIS(TM), a predictive medicine test for hereditary colon cancer and uterine cancer. We, through our wholly owned subsidiary Myriad Genetic Laboratories, Inc., recognized predictive medicine revenues, primarily from BRACAnalysis(R), of $3,965,898 for the three months ended December 31, 2000.

In October 1998, we entered into a five-year collaboration with Schering AG, to utilize ProNet(R) for drug discovery and development. Under the agreement, we will have an option to co-promote all new therapeutic products in North America and receive 50 percent of the profits from North American sales of all new drugs discovered with ProNet(R). Outside of North America, we granted Schering AG an exclusive license to therapeutic products developed from this collaboration. We may receive future royalty payments from the sale of these products. The total research funding, license fees, subscription fees, option payments and potential milestone payments under this collaboration may provide us with up to

$51,000,000. If we choose to co-promote a drug developed by Schering AG as a 50 percent partner, we are required to pay funds to Schering AG to establish equal ownership. If we do not choose to co-promote a drug developed under this collaboration, Schering AG will receive a worldwide exclusive license to therapeutic products developed from this collaboration from which we may receive future royalty payments. Royalty terms are tied to either the life of any patents that may result from this research or ten years following the first commercial sale of a therapeutic product, whichever is longer. In October 1999, we announced the expansion of our collaboration with Schering AG to include research in the field of cardiovascular disease.

In November 1998, we entered into a 15 month collaboration with Pharmacia Corporation to utilize ProNet(R) for drug discovery and development. We granted Pharmacia non-exclusive access to proteins contained in the pathways analyzed under the collaboration and an option to obtain an exclusive, worldwide license to therapeutic products developed from this collaboration. In December 1999, Pharmacia exercised its option to extend the research term for an additional 12 months and exercised its option to expand the research funding. The total research funding, option payments, license fees and potential milestone payments under this collaboration may provide us with up to $28,000,000. In addition, we are entitled to receive royalties from sales of therapeutic products commercialized by Pharmacia for a term of the later of 15 years from the first commercial sale or the life of any resulting patent. We have received approximately $1,000,000 in non-refundable research payments to date under this agreement.

In July 1999, we entered into a two-year collaboration and license agreement with Syngenta. The genomic collaboration focuses on the discovery of the genetic structure of cereal crops. We will have joint ownership with Syngenta to all data developed under this agreement and a right to receive 50 percent of all proceeds derived from the sale of the data. Myriad and Syngenta have a royalty-free worldwide co-exclusive right for commercial use of any resulting data. The total funding under this collaboration is expected to provide us with up to $33,500,000. Upon completion, we and Syngenta intend to jointly offer commercial access to the genomic databases and share equally in any resulting proceeds. We have received approximately $29,000,000 in non-refundable research payments to date under this agreement.

In December 1999, we entered into a 12 month collaboration with Hoffmann-LaRoche Inc. to utilize ProNet(R) for drug discovery and development in the area of cardiovascular disease. The total research funding, license fees and potential milestone payments under this collaboration may provide us with up to $13,000,000. We granted Roche exclusive access to proteins contained in the pathways analyzed under this collaboration and an option to obtain an exclusive, worldwide license to the therapeutic and diagnostic products developed from this collaboration. In addition, we are entitled to receive royalties from sales of therapeutic products commercialized by Roche for a term of ten years from the first commercial sale. We have received approximately $500,000 in non-refundable research payments to date under this agreement.

In May 2000, we entered into a three-year strategic alliance with Hitachi Ltd. Under the terms of the agreement, we will work with Hitachi to exploit the ProNet(R) technology together in Japan and Hitachi will establish a designated ProNet(R) facility to expedite the discovery of novel protein-protein interactions for Japanese customers. We granted Hitachi an exclusive, royalty-bearing license in Japan to the ProNet(R) database and technology. Total payments under this collaboration are expected to provide us with $26,000,000. In addition, we are entitled to receive royalties from sales of the database in Japan and from sales of therapeutic products commercialized by Hitachi. We are entitled to receive royalties for a period of ten years. We have received approximately $7,500,000 in non-refundable research payments to date under this agreement.

In December 2000, we acquired from Encore Pharmaceuticals, Inc. worldwide, exclusive rights to develop, manufacture, and market a drug aimed at the prevention and treatment of prostate, colon, and

other cancers. The compound, which will be known as MPC-7869, has completed Phase IIa human clinical trials, demonstrating a promising safety profile in both healthy individuals and prostate cancer patients. We made an equity investment in Encore of $2.7 million and agreed to pay Encore future development milestones and a royalty on any future sales of the drug.

We intend to enter into additional collaborative relationships to locate and sequence genes and discover protein networks associated with other common diseases as well as to continue to fund internal research projects. We may be unable to enter into additional collaborative relationships on terms acceptable to us. We expect to incur losses for at least the next several years, primarily due to expansion of our research and development programs, expansion of our drug discovery and development efforts, increased staffing costs and expansion of our facilities. Additionally, we expect to incur substantial sales, marketing and other expenses in connection with building our predictive medicine business. We expect that losses will fluctuate from quarter to quarter and that such fluctuations may be substantial.

Results of Operations for the Three Months Ended December 31, 2000 and 1999

Research revenues for the quarter ended December 31, 2000 were $7,988,017 as compared to $6,255,872 for the same quarter of 1999. The increase in research revenue of 28% is primarily attributable to revenue recognized from our new collaborations including Hoffman-LaRoche, Hitachi, and a fully established Syngenta project. Research revenue from the research collaboration agreements is recognized as related costs are incurred. Consequently, as these programs progress and costs increase or decrease, revenues increase or decrease proportionately.

Predictive medicine revenues of $3,965,898 were recognized in the quarter ended December 31, 2000, an increase of 96% or $1,942,027 over the same quarter of the prior year. The Company's sales and marketing efforts, together with the increased demand as a result of wider acceptance of the test by the medical community, have resulted in increased testing volume and increased revenues for the quarter ended December 31, 2000. There can be no assurance, however, that predictive medicine revenues will continue to increase at the historical rate, if at all.

Research and development expenses for the quarter ended December 31, 2000 were $9,351,036 as compared to $6,205,468 for the same quarter in 1999. This increase of 51% was in part due to an increase in research activities as a result of the ongoing drug discovery efforts of Myriad Pharmaceuticals, a wholly-owned subsidiary, and the Company's research collaborations.

Selling, general and administrative expenses for the quarter ended December 31, 2000 were $4,080,244 as compared to $3,353,944 for the same quarter in 1999. The increase of 22% was primarily attributable to costs associated with supporting our research and drug development efforts and ongoing promotion of the predictive medicine business. The Company expects its selling, general and administrative expenses will continue to fluctuate as needed in support of its research and drug development efforts and its predictive medicine business.

Cash, cash equivalents, and marketable investment securities increased $80,192,115 or 134% from $60,042,507 at December 31, 1999 to $140,234,622 at December 31, 2000. This increase in cash, cash equivalents, and marketable investment securities is primarily attributable to the private sale of approximately $87 million worth of the Company's Common Stock, as well as the receipt of advance payments from the Company's collaborators. These cash receipts were offset by expenditures incurred in the ordinary course of business. As a result of the Company's increased cash position, interest income for the quarter ended December 31, 2000 was $2,022,100 compared to $736,664 for the same quarter in 1999. The loss on disposition of assets of $7,183 in the quarter ended December 31, 2000 is the result of the Company retiring unproductive assets.

Results of Operations for the Six Months Ended December 31, 2000 and 1999

Research revenues for the six months ended December 31, 2000 were $15,757,268 as compared to $11,503,517 for the same period in 1999. The increase in research revenue of 37% is primarily attributable to revenue recognized from our new collaborations, including Hoffman-LaRoche, Hitachi, and a fully established Syngenta project. Research revenue from the research collaboration agreements is recognized as related costs are incurred. Consequently, as these programs progress and costs increase or decrease, revenues increase or decrease proportionately.

Predictive medicine revenues of $7,015,906 were recognized in the six months ended December 31, 2000, an increase of 93% or $3,377,749 over the same period in the prior year. The Company's sales and marketing efforts, together with the increased demand as a result of wider acceptance of the test by the medical community, have resulted in increased testing volume and increased revenues for the six months ended December 31, 2000. There can be no assurance, however, that predictive medicine revenues will continue to increase at the historical rate, if at all.

Research and development expenses for the six months ended December 31, 2000 were $18,141,833 as compared to $11,992,270 for the same period in 1999. This increase of 51% was in part due to an increase in research activities as a result of the ongoing drug discovery efforts of Myriad Pharmaceuticals, a wholly-owned subsidiary, and the Company's research collaborations.

Selling, general and administrative expenses for the six months ended December 31, 2000 were $8,023,633 as compared to $6,375,930 for the same period in 1999. The increase of 26% was primarily attributable to costs associated with supporting our research and drug development efforts and ongoing promotion of the predictive medicine business, including COLARIS(TM), a predictive medicine test for hereditary colon and uterine cancer launched in September 2000. The Company expects its selling, general and administrative expenses will continue to fluctuate as needed in support of its research and drug development efforts and its predictive medicine business.

Cash, cash equivalents, and marketable investment securities increased $80,192,115 or 134% from $60,042,507 at December 31, 1999 to $140,234,622 at December 31, 2000. This increase in cash, cash equivalents, and marketable investment securities is primarily attributable to the private sale of approximately $87 million worth of the Company's Common Stock, as well as the receipt of advance payments from the Company's collaborators. These cash receipts were offset by expenditures incurred in the ordinary course of business. As a result of the Company's increased cash position, interest income for the six months ended December 31, 2000 was $3,420,393 compared to $1,310,453 for the same period in 1999. The loss on disposition of assets of $255,648 in the six months ended December 31, 2000 is the result of the Company retiring unproductive assets.

Liquidity and Capital Resources

Net cash used in operating activities was $8,435,537 during the six months ended December 31, 2000 compared to $11,540,201 provided by operating activities during the same period of the prior fiscal year. Trade receivables for the six months ended December 31, 2000 increased $1,054,458. This increase is primarily attributable to increased predictive medicine revenue for the six month period ended December 31, 2000. Prepaid expenses decreased by $771,634 during the six months ended December 31, 2000 due to the use of lab supplies previously purchased. Accounts payable and accrued expenses decreased by $225,157, primarily as a result of payments for equipment and lab supplies that were accrued into the prior quarter. Deferred revenue, representing the difference in collaborative payments received and research revenue recognized, decreased by $6,740,198 during the six months ended December 31, 2000.

The Company's investing activities used cash of $20,532,930 and $487,836 in the six months ended December 31, 2000 and 1999, respectively. Investing activities were comprised primarily of changes to marketable investment securities, plus capital expenditures for research equipment and an equity investment in Encore Pharmaceuticals, Inc. During the six months ended December 31, 2000, the Company shifted a portion of its investment from cash and cash equivalents to marketable investment securities in order to take advantage of favorable interest rates.

Financing activities provided $65,181,577 during the six months ended December 31, 2000. In August 2000 we sold 350,000 shares of the Company's common stock in a private placement for an aggregate purchase price of $22 million. In October 2000 we sold an additional 400,000 shares of the Company's common stock in a private placement for an aggregate purchase price of $41 million. We subsequently registered these 750,000 shares with the Securities and Exchange Commission, as required under the stock purchase agreements. Additional cash was provided from the exercise of stock options during the six months ended December 31, 2000.

The Company anticipates that its existing capital resources will be adequate to maintain its current and planned operations for at least the next two years, although no assurance can be given that changes will not occur that would consume available capital resources before such time. The Company's future capital requirements will be substantial and will depend on many factors, including progress of the Company's research and development programs and drug discovery and drug development programs; the cost of human clinical trials and regulatory approval of its drug candidates; the cost of developing and launching additional predictive medicine tests; the costs of filing, prosecuting and enforcing patent claims; competing technological and market developments; payments received under collaborative agreements and changes in collaborative research relationships; the costs associated with potential commercialization of its gene discoveries, if any, including the development of manufacturing, marketing and sales capabilities; the cost and availability of third-party financing for capital expenditures and administrative and legal expenses. Because of the Company's significant long-term capital requirements, the Company intends to raise funds when conditions are favorable, even if it does not have an immediate need for additional capital at such time.

Quantitative and Qualitative Disclosures About Market Risk

The Company maintains an investment portfolio in accordance with its Investment Policy. The primary objectives of the Company's Investment Policy are to preserve principal, maintain proper liquidity to meet operating needs and maximize yields. The Company's Investment Policy specifies credit quality standards for the Company's investments and limits the amount of credit exposure to any single issue, issuer or type of investment.

The Company's investments consist of securities of various types and maturities of three years or less, with a maximum average maturity of 12 months. These securities are classified either as available-for-sale or held-to-maturity. Available-for-sale securities are recorded on the balance sheet at fair market value with unrealized gains or losses reported as part of accumulated other comprehensive loss. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Gains and losses on investment security transactions are reported on the specific-identification method. Dividend and interest income are recognized when earned. A decline in the market value of any available-for-sale or held-to-maturity security below cost that is deemed other than temporary results in a charge to earnings and establishes a new cost basis for the security. Premiums and discounts are amortized or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective-interest method.

The securities held in the Company's investment portfolio are subject to interest rate risk. Changes in interest rates affect the fair market value of the available-for-sale securities. After a review of the

Company's marketable securities as of December 31, 2000, the Company has determined that in the event of a hypothetical ten percent increase in interest rates, the resulting decrease in fair market value of the Company's marketable investment securities would be insignificant to the financial statements as a whole.

Certain Factors That May Affect Future Results of Operations

Some of the matters discussed in this Quarterly Report on Form 10-Q include "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases you can identify forward-looking statements by terminology such as "may", "will", "should", "potential", "continue", "expects", "anticipates", "intends", "plans", "believes", "estimates", and similar expressions. We have based these forward-looking statements on our current expectations and projections about future events. We caution investors that actual results may vary significantly and are subject to a number of factors and uncertainties, including, but not limited to, the following: intense competition related to the discovery of disease-related genes and the possibility that others may discover, and we may not be able to gain rights with respect to, genes important to the establishment of a successful genetic testing business; difficulties inherent in developing genetic tests once genes have been discovered; our limited experience in operating a genetic testing laboratory; our limited marketing and sales experience and the risk that tests which we have or may develop may not be marketed at acceptable prices or receive commercial acceptance in the markets that we are targeting or expect to target; uncertainty as to whether there will exist adequate reimbursement for our services from government, private healthcare insurers and third-party payors; uncertainties as to the extent of future government regulation of our business; uncertainties as to whether we and our collaborators will be successful in developing and obtaining regulatory approval for, and commercial acceptance of, therapeutics based on the discovery of disease-related genes and proteins; uncertainties as to our ability to develop therapeutic lead compounds, which is a new business area for us; and the risk that markets will not exist for therapeutic lead compounds that we develop or if such markets exist, that we will not be able to sell compounds which we develop at acceptable prices.

These forward-looking statements are made as of the date of this report and actual results may differ. In light of these assumptions, risks, and uncertainties, the results and events discussed in the forward-looking statements contained in this Quarterly Report on Form 10-Q might not occur.

PART II - Other Information

Item 1. Legal Proceedings.

Neither the Company nor any of its subsidiaries is a party to any material legal proceedings.

Item 2. Changes in Securities.

(c) Sales of Unregistered Securities

During the three months ended December 31, 2000, the Company issued a total of 88,456 shares of Common Stock, $0.01 par value per share, to a director of the Company pursuant to the exercise of stock options at a weighted average price of $0.01 per share.

Effective October 27, 2000, the Company sold 400,000 shares of its Common Stock, $.01 par value per share, to Acqua Wellington North American Equities Fund, Ltd., for an aggregate purchase price of $41 million.

No person acted as an underwriter with respect to the transactions set for above. These transactions were exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(2) and Regulation S thereunder, or Rule 701, as no public offerings were involved.

Item 3. Defaults Upon Senior Securities.

None.

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

On November 17, 2000, the Company held its Annual Meeting of Shareholders (the "Annual Meeting"). A quorum of 16,339,852 shares of Common Stock of the Company (of a total 22,323,219 outstanding shares, or 73.2%) was represented at the Annual Meeting in person or by proxy, which was held to vote on the following proposal:

1. To elect three members to the Board of Directors to serve for a term ending in 2003. Nominees for Directors were Michael J. Berendt, PhD., Alan J. Main, PhD., and Dale A. Stringfellow, PhD.

2. To consider and act upon a proposal to ratify the appointment of KPMG LLP as the Company's independent public accountants for the fiscal year ended June 30, 2001.

Each of the proposals was adopted, with the vote totals as follows:

Proposal 1:

	FOR	WITHHELD
Michael J. Berendt, PhD.	16,015,438	324,414
Alan J. Main, PhD.	16,287,284	52,568
Dale A. Stringfellow, PhD.	16,296,514	43,338

Immediately following the Annual Meeting, Peter D. Meldrum, Mark H. Skolnick, PhD., and Linda S. Wilson, PhD. continued to serve as Directors for terms expiring in 2001, and Walter Gilbert, PhD., Arthur Hayes Jr., MD, and John J. Horan continued to serve as Directors for terms expiring in 2002 and until their successors are duly elected and qualified. Effective December 2000 Michael J. Berendt, PhD. resigned as a member of the Board of Directors.

Proposal 2:

For	16,329,682
Against	4,448
Abstain	5,722
Broker Non-vote	-

Item 5. Other Information.

None.

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

(a) Exhibits

(10.1) Purchase Agreement dated as of October 27, 2000 between the Registrant and Acqua Wellington North America Equities, Ltd. (previously filed as Exhibit 4.4 to the Company's Registration Statement on From S-3, File No. 333-50504, effective December 1, 2000, and incorporated herein by reference).

(10.2) Registration Rights Agreement dated as of October 27, 2000 between the Registrant and Acqua Wellington North America Equities, Ltd. (previously filed as Exhibit 4.5 to the Company's Registration Statement on From S-3, File No. 333-50504, effective December 1, 2000, and incorporated herein by reference).

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 2000.

SIGNATURES

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

MYRIAD GENETICS, INC.

Date: February 14, 2001

By: /s/ Peter D. Meldrum

Peter D. Meldrum
President and Chief Executive Officer

Date: February 14, 2001

By: /s/ Jay M. Moyes

Jay M. Moyes
Vice President of Finance
Principal financial and chief accounting officer