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

FORM 10-Q

(Mark One)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2011

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
(State or other jurisdiction of
incorporation or organization)

87-0494517
(I.R.S. Employer
Identification No.)

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

84108
(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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Check one:

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 29, 2011 the registrant had 85,735,872 shares of \$0.01 par value common stock outstanding.

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MYRIAD GENETICS, INC.

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CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)*(In thousands, except per share amounts)*

	Mar. 31, 2011	Jun. 30, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 67,378	\$ 92,840
Marketable investment securities	293,846	310,388
Prepaid expenses	2,235	4,054
Trade accounts receivable, less allowance for doubtful accounts of \$4,200 at Mar. 31, 2011 and \$4,400 at Jun. 30, 2010	46,436	47,801
Deferred taxes	4,427	18,560
Other receivables	1,284	333
Total current assets	<u>415,606</u>	<u>473,976</u>
Equipment and leasehold improvements:		
Equipment	51,844	48,941
Leasehold improvements	16,438	16,332
	<u>68,282</u>	<u>65,273</u>
Less accumulated depreciation	46,939	42,012
Net equipment and leasehold improvements	<u>21,343</u>	<u>23,261</u>
Long-term marketable investment securities	90,267	85,154
Long-term deferred taxes	28,153	9,404
Other assets	1,911	2,052
Total assets	<u>\$ 557,280</u>	<u>\$ 593,847</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 5,191	\$ 8,870
Accrued liabilities	18,181	18,596
Total current liabilities	<u>23,372</u>	<u>27,466</u>
Unrecognized tax benefits	9,448	8,800
Total liabilities	<u>32,820</u>	<u>36,266</u>
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 5,000 shares, issued and outstanding no shares	—	—
Common stock, \$0.01 par value, authorized 150,000 shares at Mar. 31, 2011 and Jun. 30, 2010, issued and outstanding 85,716 at Mar. 31, 2011 and 94,046 at Jun. 30, 2010	857	940
Additional paid-in capital	571,585	566,967
Accumulated other comprehensive income	100	139
Accumulated deficit	(48,082)	(10,465)
Total stockholders' equity	<u>524,460</u>	<u>557,581</u>
	<u>\$ 557,280</u>	<u>\$ 593,847</u>

See accompanying notes to condensed consolidated financial statements (unaudited).

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MYRIAD GENETICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

<i>(In thousands, except per share amounts)</i>	Three Months Ended		Nine Months Ended	
	Mar. 31, 2011	Mar. 31, 2010	Mar. 31, 2011	Mar. 31, 2010
Revenue	\$ 102,374	\$ 90,830	\$ 294,672	\$ 268,720
Costs and expenses:				
Cost of revenue	11,133	10,880	34,191	33,024
Research and development expense	6,667	5,885	18,520	16,620
Selling, general, and administrative expense	42,750	40,840	125,960	121,616
Total costs and expenses	<u>60,550</u>	<u>57,605</u>	<u>178,671</u>	<u>171,260</u>
Operating income	41,824	33,225	116,001	97,460
Other income (expense):				
Interest income	547	1,232	1,816	4,676
Other	(59)	23	(273)	94
Total other income	488	1,255	1,543	4,770
Income before income taxes	42,312	34,480	117,544	102,230
Income tax provision	14,372	1,229	42,874	3,177
Net income	<u>\$ 27,940</u>	<u>\$ 33,251</u>	<u>\$ 74,670</u>	<u>\$ 99,053</u>
Earnings per share:				
Basic	\$ 0.32	\$ 0.34	\$ 0.82	\$ 1.03
Diluted	\$ 0.31	\$ 0.33	\$ 0.80	\$ 1.00
Weighted average shares outstanding				
Basic	88,206	96,853	91,019	96,361
Diluted	90,127	99,674	92,846	99,521

See accompanying notes to condensed consolidated financial statements (unaudited).

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)	Nine Months Ended	
	Mar. 31, 2011	Mar. 31, 2010
Cash flows from operating activities:		
Net income	\$ 74,670	\$ 99,053
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,341	5,292
Loss on disposition of assets	—	367
Share-based compensation expense	18,715	16,973
Bad debt expense	12,337	13,737
Non-cash expense related to in-process research and development technology	1,500	—
Deferred income taxes	39,591	—
Unrecognized tax benefits	(348)	—
Excess tax benefit from share-based compensation	(44,182)	—
(Gain) loss on sale of marketable investment securities	35	(161)
Changes in operating assets and liabilities:		
Prepaid expenses	1,819	1,084
Trade accounts receivable	(10,972)	(17,238)
Other receivables	(951)	(591)
Accounts payable	(3,679)	(7,151)
Accrued liabilities	581	(2,801)
Net cash provided by operating activities	<u>94,457</u>	<u>108,564</u>
Cash flows from investing activities:		
Capital expenditures for equipment and leasehold improvements	(3,182)	(7,068)
Purchase of in-process research and development technology	(1,500)	—
Purchase of other assets	(100)	(100)
Sale of intellectual property	—	300
Purchases of marketable investment securities	(338,963)	(331,041)
Proceeds from maturities and sales of marketable investment securities	350,293	249,270
Net cash provided by (used in) investing activities	<u>6,548</u>	<u>(88,639)</u>
Cash flows from financing activities:		
Net proceeds from common stock issued under share-based compensation plans	7,958	18,714
Excess tax benefit from share-based compensation	44,182	—
Repurchase and retirement of common stock	(178,607)	—
Net cash (used in) provided by financing activities	<u>(126,467)</u>	<u>18,714</u>
Net (decrease) increase in cash and cash equivalents	<u>(25,462)</u>	<u>38,639</u>
Cash and cash equivalents at beginning of period	<u>92,840</u>	<u>63,510</u>
Cash and cash equivalents at end of period	<u>\$ 67,378</u>	<u>\$ 102,149</u>

See accompanying notes to condensed consolidated financial statements (unaudited).

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

(1) Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared by Myriad Genetics, Inc. (the "Company") in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the applicable rules and regulations of the Securities and Exchange Commission ("SEC"). The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Myriad Genetics Laboratories, Inc., and Myriad Therapeutics, Inc. 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 in accordance with GAAP. The condensed consolidated 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, 2010, included in the Company's Annual Report on Form 10-K for the year ended June 30, 2010. Operating results for the three and nine months ended March 31, 2011 may not necessarily be indicative of results to be expected for any other interim period or for the full year.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Marketable Investment Securities

The Company has classified its marketable investment securities as available-for-sale. These securities are carried at estimated fair value with unrealized holding gains and losses, net of the related tax effect, included in accumulated other comprehensive income in stockholders' equity until realized. Gains and losses on investment security transactions are reported on the specific-identification method. Dividend and interest income are recognized when earned.

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The amortized cost, gross unrealized holding gains, gross unrealized holding losses, and fair value for available-for-sale securities by major security type and class of security at March 31, 2011 and June 30, 2010 were as follows (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
At March 31, 2011:				
Cash and cash equivalents:				
Cash	\$ 23,710	\$ —	\$ —	\$ 23,710
Cash equivalents	43,668	—	—	43,668
Total cash and cash equivalents	67,378	—	—	67,378
Available-for-sale:				
Corporate bonds and notes	207,038	255	(25)	207,268
Federal agency issues	175,415	108	(28)	175,495
Auction rate securities	1,500	—	(150)	1,350
Total available-for-sale	383,953	363	(203)	384,113
Total cash, cash equivalents & available-for-sale	\$451,331	\$ 363	\$ (203)	\$451,491

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
At June 30, 2010:				
Cash and cash equivalents:				
Cash	\$ 23,314	\$ —	\$ —	\$ 23,314
Cash equivalents	69,525	1	—	69,526
Total cash and cash equivalents	92,839	1	—	92,840
Available-for-sale:				
Corporate bonds and notes	272,371	658	(339)	272,690
Federal agency issues	121,448	55	(1)	121,502
Auction rate securities	1,500	—	(150)	1,350
Total available-for-sale	395,319	713	(490)	395,542
Total cash, cash equivalents & available-for-sale	\$488,158	\$ 714	\$ (490)	\$488,382

Maturities of debt securities classified as available-for-sale are as follows at March 31, 2011 (in thousands):

	Amortized cost	Estimated fair value
Cash equivalents	\$ 43,668	\$ 43,668
Available-for-sale:		
Due within one year	287,232	287,507
Due after one year through three years	95,221	95,256
Due after three years	1,500	1,350
	\$427,621	\$427,781

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(3) Share-Based Compensation

On December 3, 2010, the Company's shareholders approved the adoption of the 2010 Employee, Director and Consultant Equity Incentive Plan (the "2010 Plan"). The 2010 Plan allows the Company, under the direction of the Compensation Committee of the Board of Directors, to make grants of stock options, restricted and unrestricted stock awards and other stock-based awards to employees, and consultants and directors. Under the 2010 Plan, 3.5 million shares of common stock are authorized for issuance. The 2010 Plan also allows for the issuance of shares of common stock that are represented by options outstanding under the Company's 2003 Employee, Director and Consultant Option Plan (the "2003 Plan") and 2002 Amended and Restated Employee, Director and Consultant Stock Option Plan (the "2002 Plan"), both of which have been terminated, that expire or are cancelled without delivery of shares of common stock on or after December 3, 2010, the date of stockholder approval of the 2010 Plan. As of March 31, 2011, approximately 14.1 million shares represented by options that remain outstanding under the 2002 Plan and 2003 Plan will transfer to the 2010 Plan if the options are cancelled or expire without delivery of the shares of stock by the Company.

The number of shares, terms, and vesting period are determined by the Compensation Committee of the Board of Directors for each equity award. Options generally vest ratably over four years and expire ten years from the date of grant. The exercise price of options granted is equivalent to the fair market value of the stock on the date of grant. The Company also has an Employee Stock Purchase Plan under which 2.0 million shares of common stock have been authorized and, as March 31, 2011, approximately 0.3 million shares are available for purchase by eligible employees. Any shares are issued twice yearly at the end of each six month offering period. During the three and nine months ended March 31, 2011, the Company issued approximately 0 and 0.1 million shares of common stock under the Employee Stock Purchase Plan.

A summary of the stock option activity for the nine months ended March 31, 2011 is as follows:

	<u>Number of shares</u>	<u>Weighted average exercise price</u>
Options outstanding at June 30, 2010	14,116,838	\$ 18.03
Options granted	3,039,040	17.48
Less:		
Options exercised	(714,389)	9.56
Options canceled or expired	(821,221)	26.41
Options outstanding at March 31, 2011	<u>15,620,368</u>	17.87

As of March 31, 2011, options to purchase 8.9 million shares were vested and exercisable at a weighted average price of \$15.29. As of March 31, 2011, there was approximately \$42.4 million of total unrecognized share-based compensation cost related to share-based awards granted under the Company's plans that will be recognized over a weighted-average period of 2.6 years.

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Share-based compensation expense recognized and included in the consolidated income statements was allocated as follows (*in thousands*):

	Three months ended Mar. 31,		Nine months ended Mar. 31,	
	2011	2010	2011	2010
Molecular diagnostic cost of revenue	\$ 301	\$ 255	\$ 897	\$ 740
Research and development expense	865	923	2,926	2,793
Selling, general, and administrative expense	5,059	3,799	14,892	13,440
Total share-based compensation expense	<u>\$ 6,225</u>	<u>\$ 4,977</u>	<u>\$ 18,715</u>	<u>\$ 16,973</u>

(4) Stockholders' Equity

Comprehensive Income

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

<i>(In thousands)</i>	Three months ended Mar. 31,		Nine months ended Mar. 31,	
	2011	2010	2011	2010
Net income	\$ 27,940	\$ 33,251	\$ 74,670	\$ 99,053
Unrealized gain (loss) on available-for-sale securities, net of tax	1	(699)	(39)	(1,613)
Comprehensive income	<u>\$ 27,941</u>	<u>\$ 32,552</u>	<u>\$ 74,631</u>	<u>\$ 97,440</u>

Stock Repurchase Program

On May 4, 2010, the Company announced that its board of directors authorized the repurchase of \$100 million of the Company's outstanding common stock. On August 31, 2010, the Company announced that its board of directors authorized the repurchase of an additional \$100 million of the Company's outstanding common stock. In February 2011, the Company completed the May and August 2010 share repurchase programs.

On March 1, 2011, the Company announced that its board of directors authorized a third plan to repurchase an additional \$100 million of the Company's outstanding common stock. In connection with this stock repurchase authorization, the Company entered into an accelerated share repurchase program ("ASR program") with J.P. Morgan to repurchase \$50 million of the Company's common stock. The number of shares to be ultimately repurchased by the Company under the ASR program will be based on the average daily volume-weighted average price of its common stock during a specified period less a predetermined discount per share. The actual number of shares repurchased will be determined at the completion of the ASR program. The Company expects all ASR program purchases be completed by June 2011. After making the initial payment of \$50 million, the Company is not obligated to deliver any cash or shares to J.P. Morgan except in certain limited circumstances in which case the method of delivery (cash or shares of the Company's common stock) would be at the Company's discretion. As of March 31, 2011, the Company has repurchased and retired approximately 2.6 million shares of the Company's common stock under the ASR program.

The Company accounted for the accelerated share repurchase as two separate transactions: (a) as shares of common stock acquired in a treasury transaction recorded on the transaction date and (b) as a forward contract indexed to the Company's common stock. As such, the Company accounted for the approximate 2.6 million shares that it received as a repurchase of its common stock and retired those shares immediately for net income per share purposes. The company has determined that the forward contract indexed to the Company's common stock met all the applicable criteria for equity classification, and therefore the contract was not accounted for as a derivative under applicable accounting guidance.

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The remaining \$50 million from the share repurchase program announced in March 2011 will be made through open market or privately negotiated purchases as determined by the Company. The Company expects to complete the share repurchase on or before December 31, 2011.

During the three and nine months ended March 31, 2011, the Company repurchased and retired approximately 4.5 million and 9.1 million shares of its common stock and has repurchased and retired an accumulated 13.1 million shares under all the share repurchase programs. The Company uses the par value method of accounting for its stock repurchases. As a result of the stock repurchases the Company reduced common stock and additional paid-in capital by an aggregate of \$32.7 million and \$53.5 million and charged \$55.4 million and \$96.5 million to retained earnings for the three and nine months ended March 31, 2011, respectively.

(5) Earnings Per Share

Basic earnings per share is computed based on the weighted-average number of shares of the Company's common stock outstanding. Diluted earnings per share is computed based on the weighted-average number of shares of the Company's common stock, including common stock equivalents outstanding. Certain common shares consisting of stock options that would have an antidilutive effect were not included in the diluted earnings per share attributable to common stockholders for the three and nine months ended March 31, 2011 and 2010.

The following is a reconciliation of the denominators of the basic and diluted earnings per share computations (*in thousands*):

	Three months ended Mar. 31,		Nine months ended Mar. 31,	
	2011	2010	2011	2010
Denominator:				
Weighted-average shares outstanding used to compute basic earnings per share	88,206	96,853	91,019	96,361
Effect of dilutive stock options	1,921	2,821	1,827	3,160
Weighted-average shares outstanding and dilutive securities used to compute dilutive earnings per share	<u>90,127</u>	<u>99,674</u>	<u>92,846</u>	<u>99,521</u>

For the three and nine months ended March 31, 2011, there were outstanding potential common equivalent shares of 8,766,588 and 8,648,261, compared to 6,272,598 and 5,845,628 in the same period in 2010, which were excluded from the computation of diluted earnings per share because the effect would have been anti-dilutive. These potential dilutive common equivalent shares may be dilutive to future diluted earnings per share.

(6) Segment and Related Information

The Company's business units from continuing operations have been aggregated into two reportable segments: (i) genetics and (ii) molecular diagnostics. The genetics segment is focused on research and development of molecular genetic products and technologies and includes corporate services such as finance, human resources, legal, and information technology. The molecular diagnostics segment provides testing to determine predispositions to common diseases that aid in personalizing medical treatments, and determine the aggressiveness of certain diseases.

The Company evaluates segment performance based on results from operations before interest income and expense and other income and expense.

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<i>(In thousands)</i>	Genetics	Molecular diagnostics	Total
Three months ended Mar. 31, 2011:			
Revenue	\$ —	\$ 102,374	\$ 102,374
Depreciation and amortization	513	1,287	1,800
Segment operating income (loss)	(12,571)	54,395	41,824
Three months ended Mar. 31, 2010:			
Revenue	—	90,830	90,830
Depreciation and amortization	588	1,191	1,779
Segment operating income (loss)	(10,768)	43,993	33,225
Nine months ended Mar. 31, 2011:			
Revenue	—	294,672	294,672
Depreciation and amortization	1,484	3,857	5,341
Segment operating income (loss)	(35,276)	151,277	116,001
Nine months ended Mar. 31, 2010:			
Revenue	\$ —	\$ 268,720	\$ 268,720
Depreciation and amortization	1,645	3,647	5,292
Segment operating income (loss)	(32,459)	129,919	97,460

<i>(In thousands)</i>	Three months ended Mar. 31,		Nine months ended Mar. 31,	
	2011	2010	2011	2010
Total operating income for reportable segments	\$ 41,824	\$ 33,225	\$ 116,001	\$ 97,460
Interest income	547	1,232	1,816	4,676
Other	(59)	23	(273)	94
Income tax provision	14,372	1,229	42,874	3,177
Net income	<u>\$ 27,940</u>	<u>\$ 33,251</u>	<u>\$ 74,670</u>	<u>\$ 99,053</u>

(7) Fair Value Measurements

The fair value of the Company's financial instruments reflects the amounts that the Company estimates to receive in connection with the sale of an asset or paid in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value hierarchy prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1—quoted prices in active markets for identical assets and liabilities.

Level 2—observable inputs other than quoted prices in active markets for identical assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Some of the Company's marketable securities primarily utilize broker quotes in a non-active market for valuation of these securities.

Level 3—unobservable inputs.

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The substantial majority of the Company's financial instruments are valued using quoted prices in active markets or based on other observable inputs. The following table sets forth the fair value of our financial assets that the Company re-measured:

<i>(In thousands)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
at March 31, 2011				
Money market funds (a)	\$ 5,069	\$ —	\$ —	\$ 5,069
Corporate bonds and notes	—	245,866	—	245,866
Federal agency issues	—	175,495	—	175,495
Auction rate securities	—	—	1,350	1,350
Total	<u>\$ 5,069</u>	<u>\$421,361</u>	<u>\$1,350</u>	<u>\$427,780</u>
<i>(In thousands)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
at June 30, 2010				
Money market funds (a)	\$29,929	\$ —	\$ —	\$ 29,929
Corporate bonds and notes	—	296,987	—	296,987
Federal agency issues	—	136,802	—	136,802
Auction rate securities	—	—	1,350	1,350
Total	<u>\$29,929</u>	<u>\$433,789</u>	<u>\$1,350</u>	<u>\$465,068</u>

(a) Money market funds are primarily comprised of government and agency obligations and accrued interest

As of March 31, 2011, the Company held \$1.4 million of investments which were measured using unobservable (Level 3) inputs. These investments represent less than 1% of our investments portfolio and were classified as Level 3 assets as of March 31, 2011. Our Level 3 assets consist of auction rate securities and the value is determined based on market quotes of comparable securities. There were no changes in the composition or estimated fair value of our Level 3 financial assets for the period ended March 31, 2011.

(8) Commitments and Contingencies

The Company is subject to various claims and legal proceedings covering matters that arise in the ordinary course of its business activities. Management believes any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, operating results, or cash flows.

(9) Income Taxes

In order to determine the Company's quarterly provision for income taxes, it used an estimated annual effective tax rate, which is based on expected annual income and statutory tax rates in the various jurisdictions in which the Company operates. Certain significant or unusual items are separately recognized in the quarter during which they occur and can be a source of variability in the effective tax rates from quarter to quarter.

Income tax expense for the three and nine months ended March 31, 2011 was \$14.4 million and \$42.9 million, or approximately 34% and 36% of pre-tax income, compared to \$1.2 million and \$3.2 million income tax expense for the three and nine months ended March 31, 2010. The effective tax rate for the three and nine months ended March 31, 2011 differs from the U.S. federal statutory rate of 35% primarily due to state income taxes. Income tax expense for the three and nine months ended March 31, 2010 consisted of alternative minimum tax and state tax liabilities.

The Company files U.S. and state income tax returns in jurisdictions with various statutes of limitations. The Company's consolidated federal tax return and any significant state tax returns are not currently under examination.

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(10) Asset Acquisition

On December 8, 2010, the Company acquired the proprietary technology for the diagnosis and prognosis of malignant melanoma using genetic markers from Melanoma Diagnostics, Inc. Under the terms of the agreement, the Company purchased various in-process research and development technology and rights for an upfront fee of \$1.5 million, which it immediately expensed. The asset purchase agreement also requires the Company to pay contingent consideration based upon any future commercial success of the tests derived from the purchased technology.

(11) Subsequent Event

On April 27, 2011, the Company entered into an agreement with Rules Based Medicine (“RBM”) to acquire all of the outstanding shares of RBM for \$80 million in cash.

The Company is in the process of obtaining Hart, Scott, Redino antitrust approval from the Federal Trade Commission and finalizing the allocation of the purchase price among the assets acquired and the liabilities assumed from the acquisition.

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

We are a leading molecular diagnostic company focused on developing and marketing novel predictive medicine, personalized medicine, and prognostic medicine products. We believe that the future of medicine lies in a shift from a treatment paradigm to a prevention paradigm. By understanding the genetic basis of disease, we believe that individuals who have a greater risk of developing disease can be identified and physicians can use this information to improve patient outcomes and better manage patient healthcare. We employ a number of proprietary technologies that help us to understand the genetic basis of human disease and the role that genes and their related proteins may play in the onset, progression and treatment of disease. We use this information to guide the development of new molecular diagnostic products that are designed to assess an individual's risk for developing disease later in life (predictive medicine), identify a patient's likelihood of responding to drug therapy and help guide a patient's dosing to ensure optimal treatment (personalized medicine), or assess a patient's risk of disease progression and disease recurrence (prognostic medicine).

Our goal is to provide physicians with this critical information that may guide the healthcare management of their patients to prevent disease, delay the onset of disease, or diagnose the disease at an earlier stage when it is more treatable. We are also committed to assisting the physician in managing their patient's healthcare to ensure that they receive the most appropriate therapy based on the patient's individual genetic makeup and the specific cause of their disease.

We offer nine commercial molecular diagnostic products, including five predictive medicine products, three personalized medicine products, and a prognostic medicine product. In December 2010 we announced the launched of our ninth molecular diagnostic product, Panexia, a predictive medicine test for the genetic predisposition of pancreatic cancer. We market these products through our own 315-person sales force in the United States and are currently formulating our plans for our international expansion. Revenue was \$102.4 million and \$294.7 million for the three and nine months ended March 31, 2011, an increase of approximately 13% and 10% over revenues of \$90.8 million and \$268.7 million for the same period in the prior year.

The nine commercial molecular diagnostic products that we offer are:

- *BRACAnalysis*[®], our predictive medicine product for hereditary breast and ovarian cancer;
- *COLARIS*[®], our predictive medicine product for hereditary colorectal and uterine cancer;
- *COLARIS AP*[®], our predictive medicine product for hereditary colon cancer;
- *MELARIS*[®], our predictive medicine product for hereditary melanoma;
- *Theraguide*[®] 5-FU, our personalized medicine product for chemotherapy toxicity to 5-FU;
- *Prezeon*[™], our personalized medicine product to assess PTEN status for disease progression and drug response;
- *OnDose*[®], our personalized medicine product to measure chemotherapy exposure to 5-FU;
- *Prolaris*[™], our prognostic medicine product for prostate cancer; and
- *Panexia*[™], our predictive medicine product for pancreatic cancer.

During December 2010, we acquired proprietary technology for the diagnosis and prognosis of malignant melanoma using genetic marker technology from Melanoma Diagnostics, Inc. The tests that may be developed from the acquired technology may provide physicians with important information in the differential diagnosis of melanoma from otherwise benign moles, and in understanding the aggressiveness of the patient's disease. Under the agreement, we have the right to commercialize all tests derived from the technology on a worldwide basis in exchange for an upfront payment of \$1.5 million and contingent payments based upon the commercial success of the products. The upfront payment was fully expensed as research and development during the quarter ended December 31, 2010.

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During the three and nine months ended March 31, 2011, we devoted substantially all of our resources to supporting our molecular diagnostic products, as well as to the research and development of future molecular diagnostic product candidates. We are also formulating our plans for future international expansion. We have two reportable operating segments—genetics and molecular diagnostics. See Note 6 “Segment and Related Information” in the notes to our condensed consolidated financial statements (unaudited) for information regarding these operating segments.

We incurred research and development expenses of \$6.7 million and \$18.5 million for the three and nine months ended March 31, 2011, compared to \$5.9 million and \$16.6 million for the three and nine months ended March 31, 2010. Our research and development expenses include costs incurred in maintaining and improving our nine current molecular diagnostic products and costs incurred for the discovery, development and validation of our pipeline of molecular diagnostic product candidates. Our sales and marketing expenses and general and administrative expenses include costs associated with building our molecular diagnostic business. We expect that these costs will fluctuate from quarter to quarter and that such fluctuations may be substantial.

For the three and nine months ended March 31, 2011, we had net income of \$27.9 million and \$74.7 million and diluted earnings per share of \$0.31 and \$0.80. During the fiscal year the net income and earnings per share results included income tax expense of \$14.4 million and \$42.9 million, respectively. For the three and nine months ended March 31, 2010 we had net income of \$33.3 million and \$99.1 million and diluted earnings per share of \$0.33 and \$1.00 that included income tax expense of \$1.2 million and \$3.2 million, respectively. The increase in the current period income tax expense was primarily due to the application of our effective tax rate of approximately 34% and 36% of earnings while income tax expense for the same periods in 2010 was comprised solely of alternative minimum tax and state tax liabilities. Due to the utilization of net operating loss carryforwards to offset our taxes payable, we expect our actual cash payments for income taxes to be minimal compared to our current income tax expense.

On May 4, 2010, we announced that our board of directors had authorized the repurchase of \$100 million of our outstanding common stock. On August 31, 2010, we announced that our board of directors had authorized the repurchase of an additional \$100 million of our outstanding common stock. As of February 28, 2011, we had completed the May and August 2010 share repurchase programs. On March 1, 2011, we announced that our board of directors authorized a third plan to repurchase an additional \$100 million of our outstanding common stock. In connection with this stock repurchase authorization, we entered into an accelerated share repurchase agreement (“ASR program”) with J.P. Morgan to repurchase \$50 million of our common stock. The number of shares to be ultimately repurchased under the ASR program will be based on the average daily volume-weighted average price of our common stock during a specified period less a predetermined discount per share. As of March 31, 2011 we have repurchased and retired approximately 2.6 million shares of our common stock under the ASR program for an aggregate purchase price of \$50 million. We expect all ASR program purchases to be completed by June 30, 2011. The remaining \$50 million from the share repurchase program announced in March 2011 will be made through open market or privately negotiated purchases as determined by us. We expect to complete this portion of the share repurchase program on or before December 31, 2011. See also “Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds – Issuer Purchases of Equity Securities.”

On April 27, 2011, we entered into an agreement with Rules Based Medicine (“RBM”) to acquire all of the outstanding shares of RBM for \$80 million in cash. We believe that this acquisition represents an attractive opportunity because of RBM’s (i) strong product pipeline in the psychiatric, infections and inflammatory disease areas, (ii) leadership in the companion diagnostic fields, and (iii) proprietary, multiplex immunoassay technology. We anticipate the acquisition will close on or before May 31, 2011.

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We are in the process of obtaining Hart, Scott, Redino antitrust approval from the Federal Trade Commission and finalizing the allocation of the purchase price among the assets acquired and the liabilities assumed from the acquisition.

Critical Accounting Policies

Critical accounting policies are those policies which are both important to the presentation of a company's financial condition and results and require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our critical accounting policies are as follows:

- revenue recognition;
- allowance for doubtful accounts;
- share-based payment expense; and
- income taxes.

Revenue Recognition. Revenue includes revenue from the sale of molecular diagnostic products and related marketing agreements, and is recorded at the invoiced amount net of any discounts or contractual allowances. Revenue is recognized upon completion of the test, communication of results, and when collectability is reasonably assured.

Allowance for Doubtful Accounts. Trade accounts receivable are comprised of amounts due from sales of our molecular diagnostic products, which are recorded net of any discounts or contractual allowances. We analyze collectability of trade accounts receivable and consider historic experience, customer creditworthiness, facts and circumstances specific to outstanding balances, and payment terms when evaluating the adequacy of the allowance for doubtful accounts. We periodically evaluate and adjust the allowance for doubtful accounts when trends or significant events indicate that a change in estimate is appropriate. Such changes in estimate could materially affect our results of operations or financial position; however, to date these changes have not been material. It is possible that we may need to adjust our estimates in future periods.

As of March 31, 2011 and June 30, 2010, if a hypothetical ten percent increase in our allowance for doubtful accounts were to occur, this would result in additional bad debt expense and an increase to our allowance for doubtful accounts of \$420,000 and \$440,000, respectively.

Share-Based Payment Expense. We recognize share-based equity compensation in our consolidated statements of operations at the grant-date fair value of our stock options and other equity-based compensation. The determination of grant-date fair value is estimated using an option-pricing model, which includes variables such as the expected volatility of our share price, the exercise behavior of our employees, interest rates, and dividend yields. These variables are projected based on our historical data, experience, and other factors. Changes in any of these variables could result in material increases to the valuation of options granted in future periods and increases in the expense recognized for share-based payments.

Income Taxes. Our income tax provision is based on income before taxes and is computed using the liability method in accordance with ASC 740 – *Income Taxes*. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using tax rates projected to be in effect for the year in which the differences are expected to reverse. Significant estimates are required in determining our provision for income taxes. Some of these estimates are based on interpretations of existing tax laws or regulations, or the expected results from any future tax examinations. Various internal and external factors may have favorable or unfavorable effects on our future provision for income taxes. Those factors include, but are not limited to, changes in tax laws, regulations and/or rates, the results of any future tax examinations, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, past levels of R&D spending, acquisitions, changes in our corporate structure, and changes in overall levels of income before taxes all of which may result in periodic revisions to our provision for income taxes.

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Developing our provision for income taxes, including our effective tax rate and analysis of potential uncertain tax positions, if any, requires significant judgment and expertise in federal and state income tax laws, regulations and strategies, including the determination of deferred tax assets and liabilities and any estimated valuation allowance we deem necessary to offset deferred tax assets. During the fourth quarter of the fiscal year ended June 30, 2010, we determined that a valuation allowance was not required for our deferred tax assets because we have established a sufficient history of taxable income from operations. However, if we do not maintain taxable income from operations in future periods, we may increase the valuation allowance for our deferred tax assets and record material adjustments to our income tax expense. Our judgment and tax strategies are subject to audit by various taxing authorities. While we believe we have provided adequately for our uncertain income tax positions in our consolidated financial statements, adverse determination by these taxing authorities could have a material adverse effect on our consolidated financial condition, results of operations or cash flows. Interest and penalties on income tax items are included as a component of overall income tax expense.

Results of Operations for the Three Months Ended March 31, 2011 and 2010

Revenue for the three months ended March 31, 2011 was \$102.4 million, compared to \$90.8 million for the same three months in 2010. Of this 13% increase in revenue, approximately 8% is attributable to increased testing volume and approximately 5% is attributable to price increases. We believe that increased sales, marketing, and education efforts resulted in wider acceptance of our products by the medical community and increased patient testing volumes. While the markets in which we operate are still experiencing high unemployment, the economy appears to be improving and physician office visits were stable during the three months ended March 31, 2011. However, there can be no assurance that molecular diagnostic revenue will continue to increase or remain at current levels.

Our revenues consist predominately of sales of our molecular diagnostic products. Revenues of our products for the three months ended March 31, 2011 and 2010 were as follows:

<i>(In thousands)</i>	Three months ended Mar. 31,	
	2011	2010
Revenues:		
BRACAnalysis	\$ 90,303	\$ 79,802
COLARIS & COLARIS AP	7,414	6,949
Other	4,657	4,079
Total Revenues	\$ 102,374	\$ 90,830

Our sales force is focused on two major markets, oncology and women's health. Sales of molecular diagnostic products in each market for the three months ended March 31, 2011 and 2010 were as follows:

<i>(In thousands)</i>	Three months ended Mar. 31,	
	2011	2010
Revenues:		
Oncology	\$ 72,988	\$ 64,314
Women's Health	29,267	26,390
Other	119	126
Total Revenues	\$ 102,374	\$ 90,830

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Cost of revenue is comprised primarily of salaries and related personnel costs, laboratory supplies, royalty payments, equipment costs and facilities expense. Cost of revenue for the three months ended March 31, 2011 was \$11.1 million, compared to \$10.9 million for the same three months in 2010. This increase in molecular diagnostic cost of revenue is primarily due to an increase in testing volumes. Our gross profit margin was 89% for the three months ended March 31, 2011 compared to 88% for the same period ended March 31, 2010. Our gross profit margins may fluctuate from quarter to quarter based on the introduction of new molecular diagnostic products, price increases of existing products, changes in our costs associated with such products, new technologies and operating systems to integrate into our molecular diagnostic laboratory and costs associated with establishing any additional laboratories outside the United States. There can be no assurance that gross profit margins will continue to increase or remain at current levels.

Research and development expenses are comprised primarily of salaries and related personnel costs, laboratory supplies, clinical trial costs for molecular diagnostic products in development, and equipment and facility costs. Research and development expenses incurred during the three months ended March 31, 2011 were \$6.7 million compared to \$5.9 million for same three months in 2010. This increase of 13% was primarily due to increased research and development associated with clinical studies to support our existing molecular diagnostic products, and internal molecular diagnostic product discovery. These increases were offset by a decrease in lab supply costs. We expect our research and development expenses will increase over the next several years as we continue to develop our product pipeline and expand our offerings of molecular diagnostic products.

Selling, general and administrative expenses consist primarily of salaries, commissions and related personnel costs for sales, marketing, customer service, billing and collection, executive, legal, finance and accounting, information technology, human resources, and allocated facilities expenses. Selling, general and administrative expenses for the three months ended March 31, 2011 were \$42.8 million, compared to \$40.8 million for the same three months in 2010. The increase in selling, general and administrative expense of 5% was due primarily to:

- an increase in share-based compensation expense of approximately \$1.3 million;
- an increase in administrative costs of approximately \$1.1 million to evaluate our future international expansion and to support our 13% revenue growth; and
- an increase in sales and marketing expense of approximately \$0.2 million to support our 13% revenue growth;
- offset in part by a decrease in bad debt expense of approximately \$0.6 million due to improved collection efforts.

We expect our selling, general and administrative expenses will continue to fluctuate depending on the number and scope of any new molecular diagnostic product launches, our efforts in support of our existing molecular diagnostic products and our continued international expansion efforts.

Interest income for the three months ended March 31, 2011 was \$0.5 million, compared to \$1.2 million for the same three months in 2010, a decrease of 56%. The decrease was due primarily to lower market interest rates during the 2011 period.

Income tax expense for the three months ended March 31, 2011 was \$14.4 million, for an effective rate of approximately 34%, compared to income tax expense of \$1.2 million in the 2010 period. Income tax expense for the three months ended March 31, 2010 consisted of alternative minimum tax and state tax liabilities, compared to income tax expense for the current quarter that is based on our estimated annual effective tax rate for the full fiscal year ending June 30, 2011 adjusted by discrete items recognized during the period. Our annual effective tax rate differs from the U.S. federal statutory rate of 35% primarily due to state income taxes. Certain significant or unusual items are separately recognized during the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter. Due to the utilization of net operating loss carryforwards that offset our taxes payable, our current income tax expense in fiscal 2011 is significantly higher than our actual cash paid for income taxes.

[Table of Contents](#)**Results of Operations for the Nine Months Ended March 31, 2011 and 2010**

Revenue for the nine months ended March 31, 2011 was \$294.7 million, compared to \$268.7 million for the same nine months in 2010. Of this 10% increase in revenue, approximately 6% is attributable to increased testing volume and approximately 4% is attributable to price increases.

Revenues of our products for the nine months ended March 31, 2011 and 2010 were as follows:

<i>(In thousands)</i>	Nine months ended Mar. 31,	
	2011	2010
Revenues:		
BRACAnalysis	260,156	\$ 237,273
COLARIS & COLARIS AP	21,543	20,038
Other	12,973	11,409
Total Revenues	<u>294,672</u>	<u>\$ 268,720</u>

Our sales force is focused on two major markets, oncology and women's health. Sales of molecular diagnostic products in each market for the nine months ended March 31, 2011 and 2010 were as follows:

<i>(In thousands)</i>	Nine months ended Mar. 31,	
	2011	2010
Revenues:		
Oncology	\$208,379	\$ 193,566
Women's Health	86,084	74,962
Other	209	192
Total Revenues	<u>\$294,672</u>	<u>\$ 268,720</u>

Cost of revenue for the nine months ended March 31, 2011 was \$34.2 million, compared to \$33.0 million for the same nine months in 2010. This increase in molecular diagnostic cost of revenue is primarily due to an increase in testing volumes. Our gross profit margin was 88% for the nine months ended March 31, 2011 and 2010. Our gross profit margins may fluctuate from quarter to quarter based on the introduction of any new molecular diagnostic products, price increases of existing products, changes in our costs associated with such products, new technologies and operating systems integrated into our molecular diagnostic laboratory, and costs associated with establishing any additional laboratories outside the United States. There can be no assurance that gross profit margins will continue to increase or remain at current levels.

Research and development expenses incurred during the nine months ended March 31, 2011 were \$18.5 million compared to \$16.6 million for same nine months in 2010. This increase of 11% was primarily due to increased research and development associated with clinical studies to support our existing molecular diagnostic products, internal molecular diagnostic product discovery and development, and the purchase of in-process research and development technology. These increases were offset by a decrease in lab supply costs.

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Selling, general and administrative expenses for the nine months ended March 31, 2011 were \$126.0 million, compared to \$121.6 million for the same nine months in 2010. The increase in selling, general and administrative expense of 4% was due primarily to:

- an increase in consulting administrative costs of approximately \$2.9 million to support planning or our international expansion;
- an increase in sales and marketing expense of approximately \$1.4 million to support our 10% revenue growth; and
- an increase in share-based compensation expense of approximately \$1.5 million;
- offset in part by a decrease in bad debt expense of approximately \$1.4 million due to improved collection efforts.

We expect our selling, general and administrative expenses will continue to fluctuate depending on the number and scope of any new molecular diagnostic product launches, our efforts in support of our existing molecular diagnostic products, and our continued international expansion efforts.

Interest income for the nine months ended March 31, 2011 was \$1.8 million, compared to \$4.7 million for the same nine months in 2010, a decrease of 61%. The decrease was due primarily to lower market interest rates during the 2010 period.

Income tax expense for the nine months ended March 31, 2011 was \$42.9 million, for an effective rate of approximately 36%, compared to income tax expense of \$3.2 million in the 2010 period. Income tax expense for the nine months ended March 31, 2010 consisted of alternative minimum tax and state tax liabilities, compared to income tax expense for the current nine month period that is based on our estimated annual effective tax rate for the full fiscal year ending June 30, 2011 adjusted by discrete items recognized during the period. Our annual effective tax rate differs from the U.S. federal statutory rate of 35% primarily due to state income taxes. Certain significant or unusual items are separately recognized during the quarter during in which they occur and can be a source of variability in the effective tax rates from quarter to quarter. Due to the utilization of net operating loss carryforwards that offset our taxes payable, our current income tax expense in fiscal 2011 is significantly higher than our actual cash paid for income taxes.

Liquidity and Capital Resources

Cash, cash equivalents, and marketable investment securities decreased \$36.9 million, or 8%, to \$451.5 million at March 31, 2011 from \$488.4 million at June 30, 2010. This decrease was primarily attributed to purchasing \$178.6 million of our common stock under our share repurchase programs, expenditures for our internal research and development programs, and purchases of technology and capital assets, which was offset by our increased collections from our molecular diagnostic sales.

Net cash provided by operating activities was \$94.5 million during the nine months ended March 31, 2011, compared to \$108.6 million provided by operating activities during the same nine months in 2010. Our net income was reduced by non-cash charges in the form of share-based compensation and depreciation and amortization which totaled \$31.0 million during the nine months ended March 31, 2011. Accounts receivable increased by \$11.0 million primarily due to an increase in our sales. Accrued liabilities and accounts payable decreased by \$1.0 million and \$3.7 million, respectively, between June 30, 2010 and March 31, 2011, primarily due to payments of sales and marketing expenses associated with our current direct to consumer (“DTC”) campaign.

Our investing activities provided cash of \$6.5 million during the nine months ended March 31, 2011 and used cash \$88.6 million during the same nine months in 2010. Investing activities were comprised primarily of purchases and sales and maturities of marketable investment securities and the purchase of in-process research and development technology. Capital expenditures for equipment and facilities for the nine months ended March 31, 2011 were \$3.2 million.

Financing activities used cash of \$126.2 million during the nine months ended March 31, 2011 and provided cash of \$18.7 million in the same nine months in 2010. Cash utilized in financing activities during the nine months ended March 31, 2011 was primarily due to the purchase of \$178.6 million of our common stock through our share repurchase programs, partially offset by \$8.0 million from cash provided by the exercise of stock options and \$44.2 million from excess tax benefits received from share based compensation.

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We believe that with our existing capital resources and expected net cash to be generated from sales of our molecular diagnostic products, we will have adequate funds to maintain our current and planned operations for at least the next three years, although no assurance can be given that changes will not occur that would consume available capital resources before such time and we may need or want to raise additional financing within this period of time. Our future capital requirements, cash flows, and results of operations could be affected by and will depend on many factors that are currently unknown to us, including:

- failure to sustain revenue growth or margins in our molecular diagnostic business;
- termination of the licenses underlying our molecular diagnostic products or failure to enter into product or technology licensing or other arrangements favorable to us;
- delays or other problems with operating our laboratory facilities;
- the costs and expenses incurred in supporting our existing molecular diagnostic products and expanding into foreign markets;
- the progress, results and cost of developing and launching additional molecular diagnostic products for our molecular diagnostic business;
- potential business development activities and acquisitions, such as our recently announced acquisition of RBM;
- changes in the government regulatory approval process for our products;
- the progress, results and costs of our international expansion efforts;
- the costs, timing, outcome, and enforcement of any regulatory review of our existing or future molecular diagnostic products;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our issued patents and defending intellectual property-related claims;
- the costs, timing and outcome of any litigation against us;
- the introduction of technological innovations or new commercial products by our competitors;
- changes in intellectual property laws covering our molecular diagnostic products and patents or enforcement in the United States and foreign countries;
- changes in the governmental or private insurers reimbursement levels for our products;
- changes in structure of the healthcare system or healthcare payment systems; and
- the impact of current economic conditions and job loss resulting in fewer doctor visits and loss of employer provided insurance coverage.

Effects of Inflation

We do not believe that inflation has had a material impact on our business, sales, or operating results during the periods presented.

Certain Factors That May Affect Future Results of Operations

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report on Form 10-Q contains such "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Words such as "may," "anticipate," "estimate," "expects," "projects," "intends," "plans," "believes" and words and terms of similar substance used in connection with any discussion of future operating or

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financial performance, identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those described in the forward-looking statements. These risks include, but are not limited to: the risk that sales and profit margins of our existing molecular diagnostic products may decline or will not continue to increase at historical rates; the risk that we may be unable to expand into new markets outside of the United States; the risk that we may be unable to develop or successfully commercialize additional molecular diagnostic products; the risk that licenses to the technology underlying our molecular diagnostic products and any future products are terminated or cannot be maintained on satisfactory terms; risks related to delays or other problems with operating our laboratory testing facilities; risks related to public concern over genetic testing in general or our products; risks related to regulatory developments or enforcement in the United States and foreign countries and in particular changes in the structure of healthcare payment systems; risks related to our ability to obtain new corporate collaborations and acquire new technologies or businesses on satisfactory terms, if at all; the development of competing products and services; the risk that we or our licensors may be unable to protect the proprietary technologies underlying our products; the risk of patent-infringement and invalidity claims; challenges to intellectual property rights underlying our products or changes in intellectual property laws; risks of new, changing and competitive technologies and regulations in the United States and internationally; and other factors discussed under the heading "Risk Factors" contained in Item 1A of our Annual Report on Form 10-K for the year ended June 30, 2010, which has been filed with the Securities and Exchange Commission, as well as any updates to those risk factors filed from time to time in our Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this Quarterly Report or in any document incorporated by reference might not occur. Stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to us or to any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risk during the nine months ended March 31, 2011 compared to the disclosures in Part II, Item 7A of our Annual Report on Form 10-K for the year ended June 30, 2010, which is incorporated by reference herein.

Item 4. Controls and Procedures

- (a) *Evaluation of Disclosure Controls and Procedures.* Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q, have concluded that, based on such evaluation, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

- (b) *Changes in Internal Controls.* There were no changes in our internal control over financial reporting identified in connection with the evaluation of such internal control that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - Other Information

Item 1. Legal Proceedings

There have been no material changes to the legal proceedings included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2010.

Item 1A. Risk Factors

There have been no material changes to the risk factors included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2010, except as set forth in our Quarterly Report on Form 10-Q for the quarter ended December 31, 2010 as filed with the SEC on February 1, 2010 (File No. 0-26642) and as follows:

Risks Related to Our Business and Our Strategy

We may acquire technologies, assets or other businesses that could cause us to incur significant expense and expose us to a number of unanticipated operational and financial risks.

In addition to organic growth, we intend to continue to pursue growth through the acquisition of technology, assets or other businesses that may enable us to enhance our technologies and capabilities, expand our geographic market, add experienced management personnel and increase our product offerings. However, we may be unable to implement this growth strategy if we cannot identify suitable acquisition candidates, reach agreement on potential acquisitions on acceptable terms, successfully integrate personnel or assets that we acquire or for other reasons. Our acquisition efforts may involve certain risks, including:

- we may have difficulty integrating operations and systems;
- key personnel and customers of the acquired company may terminate their relationships with the acquired company as a result of the acquisition;
- we may not be successful in launching new molecular diagnostic products, or if those products are launched they may not prove successful in the market place;
- we may experience additional financial and accounting challenges and complexities in areas such as tax planning and financial reporting;
- we may assume or be held liable for risks and liabilities, including for environmental-related costs, as a result of our acquisitions, some of which we may not discover during our due diligence;
- we may incur significant additional operating expenses;
- our ongoing business may be disrupted or receive insufficient management attention; and
- we may not be able to realize synergies, the cost savings or other financial and operational benefits we anticipated, or such synergies, savings or benefits may take longer than we expected.

The process of negotiating acquisitions and integrating acquired products, services, technologies, personnel or businesses might result in operating difficulties and expenditures and might require significant management attention that would otherwise be available for ongoing development of our business, whether or not any such transaction is ever consummated. Moreover, we might never realize the anticipated benefits of any acquisition. Future acquisitions could result in the use of our available cash and marketable securities, potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities, or impairment expenses related to goodwill, and impairment or amortization expenses related to other intangible assets, which could harm our financial condition. In addition, if we are unable to integrate any acquired businesses, products or technologies effectively, our business, financial condition and results of operations may be materially adversely affected.

In December 2010, we acquired technology from Melanoma Diagnostics, Inc., and in April 2011, we acquired Rules-Based Medicine, Inc. There can be no assurance that we will be able to successfully integrate these acquisitions or develop or commercialize products based on the acquired technologies, or that we will be able to successfully integrate any other companies, products or technologies that we acquire.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

On May 4, 2010, we announced a plan to repurchase up to \$100 million of the Company's common stock. On August 31, 2010, we announced that our board of directors authorized the repurchase of an additional \$100 million of our common stock. During February 2011, we completed the second share repurchase program. On March 1, 2011, we announced a third plan to repurchase an additional \$100 million of our outstanding common stock. The details of the activity during the third fiscal quarter were as follows:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2011 to January 31, 2011	492,924	\$ 19.92	492,294	\$ 28,251,365
February 1, 2011 to February 28, 2011	1,431,537	19.73	1,431,537	—
March 1, 2011 to March 31, 2011	2,568,410	19.47	2,568,410	50,000,000
Total	<u>4,492,871</u>	<u>\$ 19.60</u>	<u>4,492,241</u>	<u>\$ 50,000,000</u>

Item 3. Defaults Upon Senior Securities.

None.

Item 4. (Removed and Reserved).

Item 5. Other Information.

None

Item 6. Exhibits.

- 3.2 Restated By-laws (previously filed as Exhibit 3.1 to the Current Report on Form 8-K filed on February 28, 2011 (File No. 0-26642) and incorporated herein by reference)
- 10.1+ Accelerated Share Repurchase Program Agreement, dated March 1, 2011, by and between J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch and Myriad Genetics, Inc.
- 31.1 Certification of Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.

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- 32.1 Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101@ The following materials from Myriad Genetics, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, formatted in XBRL (Extensible Business Reporting Language): (i) the unaudited Condensed Consolidated Balance Sheets, (ii) the unaudited Condensed Consolidated Statements of Income, (iii) the unaudited Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text.

+ Confidential portions of this exhibit have been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

@ Users of the XBRL data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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: May 4, 2011

By: /s/ Peter D. Meldrum
Peter D. Meldrum
President and Chief Executive Officer
(Principal executive officer)

Date: May 4, 2011

By: /s/ James S. Evans
James S. Evans
Chief Financial Officer
(Principal financial and chief accounting officer)



EXECUTION VERSION

March 1, 2011

Myriad Genetics, Inc.
 320 Wakara Way
 Salt Lake City, UT 84108

Ladies and Gentlemen:

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the Transaction entered into between J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (the “**Seller**”), and Myriad Genetics, Inc., a Delaware corporation (the “**Purchaser**”), on the Trade Date specified below (the “**Transaction**”). This Confirmation constitutes a “Confirmation” as referred to in the Agreement specified below.

This Confirmation evidences a complete and binding agreement between the Seller and the Purchaser as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the “**Agreement**”) as if the Seller and the Purchaser had executed an agreement in such form (but without any Schedule except for the election of the laws of the State of New York as the governing law but without regard to its choice of law provisions), on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

ARTICLE 1
 DEFINITIONS

Section 1.01 . *Definitions.* (a) As used in this Confirmation, the following terms shall have the following meanings:

“**10b-18 VWAP**” means, (A) for any Trading Day described in clause (x) of the definition of Trading Day hereunder, the volume-weighted average price at which the Common Stock trades as reported in the composite transactions for United States exchanges and quotation systems, during the regular trading session for the Exchange (or, if applicable, the Successor Exchange on which the Common Stock has been listed in accordance with Section 7.01(c)) on such Trading Day, excluding (i) trades that do not settle regular way, (ii) opening (regular way) reported trades in the consolidated system on such Trading Day, (iii) trades that occur in the last ten minutes before the scheduled close of trading on the Exchange on such Trading Day and ten minutes before the scheduled close of the

JPMorgan Chase Bank, National Association
Organised under the laws of the United States as a National Banking Association.
Main Office 1111 Polaris Parkway, Columbus, Ohio 43271
Registered as a branch in England & Wales branch No. BR000746.
Registered Branch Office 125 London Wall, London EC2Y 5AJ
Authorised and regulated by the Financial Services Authority

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

primary trading in the market where the trade is effected, and (iv) trades on such Trading Day that do not satisfy the requirements of Rule 10b-18(b)(3), as determined in good faith by the Calculation Agent, or (B) for any Trading Day that is described in clause (y) of the definition of Trading Day hereunder, an amount determined in good faith by the Calculation Agent as 10b-18 VWAP. The Purchaser acknowledges that the Calculation Agent may refer to the Bloomberg Page “MYGN U.S. <Equity> AQR SEC” (or any successor thereto), in its judgment, for such Trading Day to determine the 10b-18 VWAP.

“**Additional Termination Event**” has the meaning set forth in Section 7.01.

“**Agreement**” has the meaning set forth in the second paragraph of this Confirmation.

“**Affected Party**” has the meaning set forth in Section 14 of the Agreement.

“**Affected Transaction**” has the meaning set forth in Section 14 of the Agreement.

“**Affiliated Purchaser**” means any “affiliated purchaser” (as such term is defined in Rule 10b-18) of the Purchaser.

“**Alternative Termination Delivery Unit**” means (i) in the case of a Termination Event (other than following consummation of a Merger Event or Nationalization) or Event of Default (as defined in the Agreement), one share of Common Stock and (ii) in the case of consummation of a Merger Event or Nationalization, a unit consisting of the number or amount of each type of property received by a holder of one share of Common Stock in such Merger Event or Nationalization; *provided* that if such Merger Event involves a choice of consideration to be received by holders of the Common Stock, an Alternative Termination Delivery Unit shall be deemed to include the amount of cash received by a holder who had elected to receive the maximum possible amount of cash as consideration for his shares.

“**Bankruptcy Code**” has the meaning set forth in Section 9.07.

“**Business Day**” means any day on which the Exchange is open for trading.

“**Calculation Agent**” means JPMorgan Chase Bank, National Association.

“**Cash Distribution**” has the meaning set forth in Section 7.01(f).

“**Cash Distribution Amount**” means, for any “**Reference Period**” set forth in the Pricing Supplement, the amount specified in the Pricing Supplement for such Reference Period.

“**Cash Settlement Amount**” means an amount in cash equal to (i) the absolute value of the Settlement Number *multiplied by* (ii) the dollar volume weighted average price per share at which Seller or its designated affiliate executes purchases of shares of Common Stock during the Cash Settlement Purchase Period in respect of its hedge position for the Transaction.

“**Cash Settlement Purchase Period**” means the period during which the Seller purchases shares of Common Stock to unwind its hedge position following the Valuation Completion Date, which shall be determined in a commercially reasonable manner and which shall not exceed 30 Trading Days; *provided* that the Seller may extend the Cash Settlement Purchase Period as it shall determine in good faith and in a commercially reasonable manner to be appropriate in light of legal or regulatory considerations.

“**Common Stock**” has the meaning set forth in Section 2.01.

“**Communications Procedures**” has the meaning set forth in Annex C hereto.

“**Confirmation**” has the meaning set forth in the first paragraph of this letter agreement.

“**Contract Fee**” means the amount specified as such in the Pricing Supplement.

“**Contract Period**” means the period commencing on and including the Trade Date and ending on and including the date all payments or deliveries of shares of Common Stock pursuant to Section 3.01 or Section 7.03 have been made.

“**Default Notice Day**” has the meaning set forth in Section 7.02(a).

“**De-Listing**” has the meaning set forth in Section 7.01(c).

“**Discount**” means the amount specified as such in the Pricing Supplement.

“**Distribution Termination Event**” has the meaning set forth in Section 7.01(f).

“**Early Termination Date**” has the meaning set forth in Section 14 of the Agreement.

“**Event of Default**” has the meaning set forth in Section 14 of the Agreement.

“**Exchange**” means the NASDAQ Global Select Market.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Expiration Date**” means the [***] Trading Day following the Trade Date.

“**Extraordinary Cash Dividend**” means the per share cash dividend or distribution, or a portion thereof, declared by the Purchaser on shares of Common Stock that is classified by the board of directors of the Purchaser as an “extraordinary” dividend.

“**Floor Price**” has the meaning specified as such in the Pricing Supplement.

“**Indemnified Person**” has the meaning set forth in Section 9.02.

“**Indemnifying Party**” has the meaning set forth in Section 9.02.

“**Initial Delivery Percentage**” means the percentage specified as such in the Pricing Supplement.

“**Initial Number of Shares**” means the number of shares of Common Stock, rounded down to the nearest integer, equal to the product of (i) the Initial Delivery Percentage and (ii) the Purchase Price *divided by* the Initial Share Price.

“**Initial Settlement Date**” has the meaning set forth in Section 2.02.

“**Initial Share Price**” means the 10b-18 VWAP for second Trading Day following the Trade Date.

“**Merger Event**” has the meaning set forth in Section 7.01(d).

“**Nationalization**” has the meaning set forth in Section 7.01(e).

“**New York Banking Day**” means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions are authorized or required by law or regulation to close in The City of New York.

“**Number of Shares**” has the meaning set forth in Section 2.01.

“**Obligations**” has the meaning set forth in Section 9.02.

“**Ordinary Cash Dividend**” has the meaning set forth in Section 8.01(b).

“**Pricing Supplement**” means the Pricing Supplement attached hereto as Annex D.

“**Private Placement Agreement**” has the meaning set forth in Annex A hereto.

“**Private Placement Price**” means the private placement value of a share of Common Stock as determined in accordance with Annex A hereto.

“**Private Placement Shares**” has the meaning set forth in Section 3.01(b).

“**Private Placement Procedures**” has the meaning set forth in Annex A hereto.

“**Private Securities**” has the meaning set forth in Annex A hereto.

“**Purchase Price**” has the meaning set forth in Section 2.01.

“**Purchaser**” has the meaning set forth in the first paragraph of this Confirmation.

“**Purchaser Share Cap**” means, for any date, (i) [***] shares of Common Stock, *minus* (ii) the net number of shares of Common Stock delivered by the Purchaser to the Seller in respect of this Transaction on or prior to such date, *plus* (iii) the net number of shares of Common Stock delivered by the Seller to the Purchaser in respect of this Transaction on or prior to such date, subject to appropriate adjustments pursuant to Section 8.02(x).

“**Reference Period**” means, for any corresponding “**Cash Distribution Amount**” specified in the Pricing Supplement, the period specified in the Pricing Supplement for such Cash Distribution Amount.

“**Registered Shares**” has the meaning set forth in Section 3.01(b).

“**Registered Shares Fee**” means the amount specified as such in the Pricing Supplement.

“**Registration Procedures**” has the meaning set forth in Annex B hereto.

“**Regulation M**” means Regulation M under the Exchange Act.

“**Rule 10b-18**” means Rule 10b-18 promulgated under the Exchange Act (or any successor rule thereto).

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Seller**” has the meaning set forth in the first paragraph hereto.

“**Seller Share Cap**” means, for any date, (i) [***] shares of Common Stock *minus* (ii) the number of shares of Common Stock delivered by the Seller to the Purchaser in respect of this Transaction on or prior to such date, subject to appropriate adjustments pursuant to Section 8.02(x).

“**Seller Termination Share Purchase Period**” has the meaning set forth in Section 7.03.

“**Settlement Date**” means (i) if Section 3.01(a)(i) is applicable, the fourth Business Day following the Valuation Completion Date; (ii) if settlement in cash is applicable pursuant to Section 3.01(d), the date of such cash payment determined in accordance with Section 3.01(d)(ii); (iii) if Section 3.01(e) is applicable, the Business Day immediately following the day on which the Seller informs the Purchaser, pursuant to Annex A hereto, of the number of Private Placement Shares required to be delivered; and (iv) if Section 3.01(f) is applicable, each of the dates so advised by the Seller pursuant to Annex B hereto.

“**Settlement Number**” means a number of shares of Common Stock, rounded down to the nearest integer and which number may be negative, equal to (i) the Valuation Number *minus* (ii) the Initial Number of Shares.

“**Settlement Shares**” has the meaning set forth in Section 3.01(b).

“**Share De-listing Event**” has the meaning set forth in Section 7.01(c).

“**Successor Exchange**” has the meaning set forth in Section 7.01(c).

“**Termination Amount**” has the meaning set forth in Section 7.02(a).

“**Termination Event**” has the meaning set forth in Section 14 of the Agreement.

“**Termination Price**” means the value of an Alternative Termination Delivery Unit to the Seller (determined as provided in Annex A hereto).

“**Termination Settlement Date**” has the meaning set forth in Section 7.03(a).

“**Trade Date**” shall mean March 1, 2011.

“**Trading Day**” means (x) any day (i) other than a Saturday, a Sunday or a day on which the Exchange is not open for business, (ii) during which trading of any securities of the Purchaser on any national securities exchange has not been suspended, (iii) during which there has not been, in the Seller’s judgment, a material limitation in the trading of Common Stock or any options contract or futures contract related to the Common Stock, and (iv) during which there has been no suspension pursuant to Section 4.02 of this Confirmation, or (y) any day that, notwithstanding the occurrence of events contemplated in clauses (ii), (iii) and (iv) of this definition, the Seller determines to be a Trading Day.

“**Transaction**” has the meaning set forth in the first paragraph of this Confirmation.

“**Valuation Completion Date**” has the meaning set forth in the Pricing Supplement.

“**Valuation Number**” means (i) the Purchase Price *divided by* (ii) the arithmetic average of 10b-18 VWAP for each of the Trading Days in the Valuation Period *minus* the Discount, as determined by the Calculation Agent in its reasonable judgment; *provided* that if the result of the calculation in clause (ii) is equal to or less than the Floor Price, then the Valuation Number shall be the Purchase Price *divided by* the Floor Price.

“**Valuation Period**” means the period of consecutive Trading Days commencing on and including the third Trading Day following the Trade Date and ending on and including the Valuation Completion Date.

ARTICLE 2 PURCHASE OF THE STOCK

Section 2.01 . *Purchase of the Stock*. Subject to the terms and conditions of this Confirmation, the Purchaser agrees to purchase from the Seller, and the Seller agrees to sell to the Purchaser, on the Trade Date or on such other Business Day as the Purchaser and the Seller shall otherwise agree, a number of shares (the “**Number of Shares**”) of the Purchaser’s common stock, par value \$0.01 per share (“**Common Stock**”), for a purchase price equal to \$50,000,000 (the “**Purchase Price**”). The Number of Shares purchased by the Purchaser hereunder shall be determined in accordance with the terms of this Confirmation.

Section 2.02 . *Delivery and Payments*. On the third Trading Day immediately following the Trade Date (such day, the “**Initial Settlement Date**”), the Seller shall deliver the Initial Number of Shares to the Purchaser, upon payment by the Purchaser of (i) an amount equal to the Purchase Price to the Seller and (ii) the Contract Fee to J.P. Morgan Securities LLC; *provided* that if the Seller is unable to borrow or otherwise acquire a number of shares of Common Stock equal to the Initial Number of Shares for delivery to the Purchaser on the Initial Settlement Date, the Initial Number of Shares shall be reduced to such number of shares of Common Stock as the Seller is able to borrow or otherwise acquire and any amounts payable by the Purchaser pursuant to this Article 2 shall be reduced correspondingly. Such delivery and payment shall be effected in accordance with the Seller’s customary procedures, which shall be commercially reasonable.

Section 2.03 . *Conditions to Seller’s Obligations*. The Seller’s obligation to deliver the Initial Number of Shares to the Purchaser on the Initial Settlement Date is subject to the condition that the representations and warranties made by the Purchaser in the Agreement shall be true and correct as of the date hereof and the Initial Settlement Date.

ARTICLE 3 SUBSEQUENT PAYMENTS OR SHARE DELIVERIES

Section 3.01 . *Subsequent Payments or Share Deliveries*. (a) (i) If the Settlement Number is greater than zero, the Seller shall deliver to the Purchaser a number of shares of Common Stock equal to the Settlement Number on the Settlement Date in accordance with the Seller’s customary procedures; and

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

(ii) if the Settlement Number is less than zero, the Purchaser shall make a payment of cash or delivery of shares of Common Stock to the Seller in respect of the absolute value of the Settlement Number, as provided in this Section 3.01.

(b) Subject to Section 3.01(c), payment of the absolute value of the Settlement Number by the Purchaser to the Seller shall be in cash or validly issued shares of Common Stock (“**Settlement Shares**”), and if in shares of Common Stock, then in shares to be sold in a private placement (“**Private Placement Shares**”) or registered shares (“**Registered Shares**”), as the Purchaser shall elect, which binding election shall be made by written notice to the Seller no later than the close of business on the second Business Day following the Valuation Completion Date; *provided* that by making an election to deliver Settlement Shares pursuant to this Section 3.01(b), the Purchaser shall be deemed to make the representations and warranties in Section 5.01 as if made on the date of the Purchaser’s election; and *provided further* that if the Purchaser fails to make such election by such date, the Purchaser shall be deemed to have elected settlement in cash.

(c) (i) Any election by the Purchaser to deliver the absolute value of the Settlement Number in Settlement Shares pursuant to clause (b) of this Section 3.01 shall not be valid, and settlement in cash shall apply, if the representations and warranties made by the Purchaser to the Seller in Section 5.01 are not true and correct in all material respects as of the date the Purchaser makes such election.

(ii) Notwithstanding any election by the Purchaser to make payment of the absolute value of the Settlement Number in Settlement Shares, at any time prior to the time the Seller (or any affiliate of the Seller) has contracted to resell all or any portion of such Settlement Shares, the Purchaser may elect to deliver in lieu of such Settlement Shares an amount in cash equal to the absolute value of the Settlement Number with respect to any Settlement Shares not yet contracted to be sold, in which case the provisions of Section 3.01(d) shall apply with respect to such amount; *provided* that any such election by the Purchaser pursuant to this clause (ii) shall not be valid and settlement in Settlement Shares shall continue to apply if the representations and warranties made by the Purchaser to the Seller in Section 5.01(a) are not true and correct in all material respects as of the date the Purchaser makes such election.

(iii) If the Purchaser elects to make payment of the absolute value of the Settlement Number (A) in Private Placement Shares and fails to comply with the requirements set forth in Section 3.01(e) or Annex A hereto or takes any action that would make unavailable either (1) the exemption set forth in Section 4(2) of the Securities Act for the sale of any Private Placement Shares by the Purchaser to the Seller or (2) an exemption from the registration requirements of the Securities Act reasonably acceptable to the Seller for resales of Private Placement Shares by the Seller, or (B) in Registered Shares and fails to comply with the requirements set forth in Section 3.01(f) or Annex B hereto; then in the case of either (A) or (B), the Purchaser shall deliver in lieu of any Private Placement Shares or Registered Shares an amount in cash equal to the absolute value of the Settlement Number with respect to any Settlement Shares not yet sold, in which case the provisions of Section 3.01(d) shall apply with respect to such amount.

(d) (i) If the Purchaser elects to pay the absolute value of the Settlement Number in cash, if settlement in cash is otherwise applicable in accordance with this Section 3.01, or if the Purchaser elects to make payment of the absolute value of the Settlement Number in Private Placement Shares pursuant to Section 3.01(e), then the Calculation Agent shall determine an amount in cash equal to the Cash Settlement Amount.

(ii) If cash settlement is applicable, payment of the Cash Settlement Amount shall be made by wire transfer of immediately available U.S. dollar funds on the first Business Day immediately following the date of notification by the Seller to the Purchaser of the Cash Settlement Amount or such later Business Day as determined by the Seller in its sole discretion.

(e) If the Purchaser elects to make payment of the absolute value of the Settlement Number in Private Placement Shares, then on the Settlement Date, the Purchaser shall deliver to the Seller a number of Settlement Shares equal to (A) the Cash Settlement Amount *divided by* (B) the Private Placement Price (determined by the Calculation Agent in accordance with the Private Placement Procedures contained in Annex A hereto).

(f) If the Purchaser elects to make payment of the absolute value of the Settlement Number in Registered Shares, then the Purchaser shall deliver to the Seller a number of Settlement Shares equal to (A) the absolute value of the Settlement Number *plus* (B) an additional number of Settlement Shares to take into account the Registered Shares Fee on the absolute value of the Settlement Number. Such Settlement Shares shall be delivered in such numbers and on such dates on or following the Valuation Completion Date as are specified by the Seller in accordance with the Registration Procedures contained in Annex B hereto.

Section 3.02. *Private Placement Procedures and Registration Procedures.* If the Purchaser elects to deliver Private Placement Shares pursuant to Section 3.01(b) or elects to deliver Alternative Termination Delivery Units pursuant to Section 7.02(a), the Private Placement Procedures contained in Annex A hereto shall apply, and if the Purchaser elects to deliver Registered Shares pursuant to Section 3.01(b), the Registration Procedures contained in Annex B hereto shall apply.

Section 3.03. *Continuing Obligation to Deliver Shares.* (a) If at any time, as a result of provisions limiting deliveries of shares of Common Stock to the Purchaser Share Cap, the Purchaser fails to deliver to the Seller any shares of Common Stock, the Purchaser shall, to the extent that the Purchaser has at such time authorized but unissued shares of Common Stock not reserved for other purposes, promptly notify the Seller thereof and deliver to the Seller a number of shares of Common Stock not previously delivered as a result of such provisions.

(b) The Purchaser agrees to use its best efforts to cause the number of authorized but unissued shares of Common Stock to be increased, if necessary, to an amount sufficient to permit the Purchaser to fulfill its obligations under this Section 3.03.

ARTICLE 4 MARKET TRANSACTIONS

Section 4.01. *Transactions by the Seller.* (a) The parties agree and acknowledge that:

(i) During any Cash Settlement Purchase Period and any Seller Termination Share Purchase Period, the Seller (or its agent or affiliate) may purchase shares of Common Stock in connection with this Confirmation. The timing of such purchases by the Seller, the price paid per share of Common Stock pursuant to such purchases and the manner in which such purchases are made, including without limitation whether such purchases are made on any securities exchange or privately, shall be within the sole judgment of the Seller; *provided* that the Seller shall use good faith efforts to make all purchases of Common Stock in a manner that would comply with the limitations set forth in clauses (b)(2), (b)(3), (b)(4) and (c) of Rule 10b-18 (but without regard to clause (a)(13)(iv) of Rule 10b-18) as if such rule were applicable to such purchases.

(ii) During the Valuation Period, the Seller (or its agent or affiliate) may effect transactions in shares of Common Stock in connection with this Confirmation. The timing of such transactions by the Seller, the price paid or received per share of Common Stock pursuant to such transactions and the manner in which such transactions are made, including without limitation whether such transactions are made on any securities exchange or privately, shall be within the sole judgment of the Seller.

(iii) The Purchaser shall, at least one day prior to the first day of the Valuation Period, any Cash Settlement Purchase Period and any Seller Termination Share Purchase Period, notify the Seller of the total number of shares of Common Stock purchased in Rule 10b-18 purchases of blocks pursuant to the once-a-week block exception set forth in Rule 10b-18(b)(4) by or for the Purchaser or any of its Affiliated Purchasers during each of the four calendar weeks preceding such day and during the calendar week in which such day occurs (“**Rule 10b-18 purchase**” and “**blocks**” each being used as defined in Rule 10b-18), which notice shall be substantially in the form set forth as Exhibit A hereto.

(b) The Purchaser acknowledges and agrees that (i) all transactions effected pursuant to Section 4.01 hereunder shall be made in the Seller’s sole judgment and for the Seller’s own account and (ii) the Purchaser does not have, and shall not attempt to exercise, any influence over how, when or whether to effect such transactions, including, without limitation, the price paid or received per share of Common Stock pursuant to such transactions whether such transactions are made on any securities exchange or privately. It is the intent of the Seller and the Purchaser that this Transaction comply with the requirements of Rule 10b5-1(c) of the Exchange Act and that this Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c)(1)(i)(B) and the Seller shall take no action that results in the Transaction not so complying with such requirements.

(c) Notwithstanding anything to the contrary in this Confirmation, the Purchaser acknowledges and agrees that, on any day, the Seller shall not be obligated to deliver or receive any shares of Common Stock to or from the Purchaser and the Purchaser shall not be entitled to receive any shares of Common Stock from the Seller on such day, to the extent (but only to the extent) that after such transactions the Seller’s ultimate parent entity would directly or indirectly beneficially own (as such term is defined for purposes of Section 13(d) of the Exchange Act) at any time on such day in excess of 8.0% of the outstanding shares of Common Stock. Any purported receipt or delivery of shares of Common Stock shall be void and have no effect to the extent (but only to the extent) that after any receipt or delivery of such shares of Common Stock the Seller’s ultimate parent entity would directly or indirectly so beneficially own in excess of 8.0% of the outstanding shares of Common Stock. If, on any day, any delivery or receipt of shares of Common Stock by the Seller is not effected, in whole or in part, as a result of this provision, the Seller’s and Purchaser’s respective obligations to make or accept such receipt or delivery shall not be extinguished and such receipt or delivery shall be effected over time as promptly as the Seller determines, in the reasonable determination of the Seller, that after such receipt or delivery its ultimate parent entity would not directly or indirectly beneficially own in excess of 8.0% of the outstanding shares of Common Stock.

Section 4.02. *Adjustment of Transaction for Securities Laws.* (a) Notwithstanding anything to the contrary in Section 4.01(a), if, based on the advice of counsel, Seller reasonably determines that on any Trading Day, Seller’s trading activity in order to manage its economic hedge in respect of the Transaction would not be advisable in respect of applicable securities laws, then Seller may extend the Expiration Date, modify the Valuation Period or otherwise adjust the terms of the Transaction in its good faith reasonable discretion to ensure Seller’s compliance with such laws and to preserve the fair value of the Transaction to the Seller. The Seller shall notify the Purchaser of the exercise of the Seller’s rights pursuant to this Section 4.02(a) upon such exercise.

(b) The Purchaser agrees that, during the Contract Period, neither the Purchaser nor any of its affiliates or agents shall make any distribution (as defined in Regulation M) of Common Stock, or any security for which the Common Stock is a reference security (as defined in Regulation M) or take any other action that would, in the view of the Seller, preclude purchases by the Seller of the Common Stock or cause the Seller to violate any law, rule or regulation with respect to such purchases.

Section 4.03 . *Purchases of Common Stock by the Purchaser.* Without the prior written consent of the Seller, the Purchaser shall not, and shall cause its affiliates and affiliated purchasers (each as defined in Rule 10b-18) not to, directly or indirectly (including, without limitation, by means of a derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any shares of Common Stock (or equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable for shares of Common Stock during the Contract Period.

ARTICLE 5
REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Section 5.01. *Repeated Representations, Warranties and Agreements of the Purchaser.* The Purchaser represents and warrants to, and agrees with, the Seller, on the date hereof and on any date pursuant to which the Purchaser makes an election to deliver Settlement Shares pursuant to Section 3.01, to pay cash in lieu of Settlement Shares pursuant to Section 3.01(c)(ii) or to receive or deliver Alternative Termination Delivery Units pursuant to Section 7.03, that:

(a) **Disclosure; Compliance with Laws.** The reports and other documents filed by the Purchaser with the SEC pursuant to the Exchange Act when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading. The Purchaser is not in possession of any material nonpublic information regarding the Purchaser or the Common Stock.

(b) **Rule 10b5-1.** The Purchaser acknowledges that (i) the Purchaser does not have, and shall not attempt to exercise, any influence over how, when or whether to effect purchases of Common Stock by the Seller (or its agent or affiliate) in connection with this Confirmation and (ii) the Purchaser is entering into the Agreement and this Confirmation in good faith and not as part of a plan or scheme to evade compliance with federal securities laws including, without limitation, Rule 10b-5 promulgated under the Exchange Act. The Purchaser also acknowledges and agrees that any amendment, modification, waiver or termination of this Confirmation must be effected in accordance with the requirements for the amendment or termination of a “plan” as defined in Rule 10b5-1(c) under the Exchange Act. Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, and no amendment, modification or waiver shall be made at any time at which the Purchaser or any officer or director of the Purchaser is aware of any material nonpublic information regarding the Purchaser or the Common Stock.

(c) **Nature of Shares Delivered.** Any shares of Common Stock or Alternative Termination Delivery Units delivered to the Seller pursuant to this Confirmation, when delivered, shall have been duly authorized and shall be duly and validly issued, fully paid and nonassessable and free of preemptive or similar rights, and such delivery shall pass title thereto free and clear of any liens or encumbrances.

(d) **No Manipulation.** The Purchaser is not entering into this Confirmation to create actual or apparent trading activity in the Common Stock (or any security convertible into or exchangeable for Common Stock) or to manipulate the price of the Common Stock (or any security convertible into or exchangeable for Common Stock).

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

(e) **Regulation M.** The Purchaser is not engaged in a distribution, as such term is used in Regulation M, that would preclude purchases by the Purchaser or the Seller of the Common Stock or cause the Seller to violate any law, rule or regulation with respect to such purchases.

(f) **Board Authorization.** The Purchaser is entering into this Transaction in connection with its share repurchase program, which was approved by its board of directors and publicly disclosed, solely for the purposes stated in such board resolution and public disclosure. There is no internal policy of the Purchaser, whether written or oral, that would prohibit the Purchaser from entering into any aspect of this Transaction, including, but not limited to, the purchases of shares of Common Stock to be made pursuant hereto.

(g) **Due Authorization and Good Standing.** The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. This Confirmation has been duly authorized, executed and delivered by the Purchaser and (assuming due authorization, execution and delivery thereof by the Seller) constitutes a valid and legally binding obligation of the Purchaser. The Purchaser has all corporate power to enter into this Confirmation and to consummate the transactions contemplated hereby and to purchase the Common Stock and deliver any Settlement Shares in accordance with the terms hereof.

(h) **Certain Transactions.** There has not been any public announcement (as defined in Rule 165(f) under the Securities Act) of any merger, acquisition, or similar transaction involving a recapitalization relating to the Purchaser that would fall within the scope of Rule 10b-18(a)(13)(iv).

Section 5.02. *Initial Representations, Warranties and Agreements of the Purchaser.* The Purchaser represents and warrants to, and agrees with the Seller, as of the date hereof, that:

(a) **Solvency.** The assets of the Purchaser at their fair valuation exceed the liabilities of the Purchaser, including contingent liabilities; the capital of the Purchaser is adequate to conduct the business of the Purchaser and the Purchaser has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature.

(b) **Required Filings.** The Purchaser has made, and will use its best efforts to make, all filings required to be made by it with the SEC, any securities exchange or any other regulatory body with respect to the Transaction contemplated hereby.

(c) **No Conflict.** The execution and delivery by the Purchaser of, and the performance by the Purchaser of its obligations under, this Confirmation and the consummation of the transactions herein contemplated do not conflict with or violate (i) any provision of the certificate of incorporation, by-laws or other constitutive documents of the Purchaser, (ii) any statute or order, rule, regulation or judgment of any court or governmental agency or body having jurisdiction over the Purchaser or any of its subsidiaries or any of their respective assets or (iii) any contractual restriction binding on or affecting the Purchaser or any of its subsidiaries or any of its assets.

(d) **Consents.** All governmental and other consents that are required to have been obtained by the Purchaser with respect to performance, execution and delivery of this Confirmation have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) **Investment Company Act.** The Purchaser is not and, after giving effect to the transactions contemplated in this Confirmation, will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(f) **Commodity Exchange Act.** The Purchaser is an “eligible contract participant”, as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended.

Section 5.03. *Additional Representations, Warranties and Agreements.* The Purchaser and the Seller represent and warrant to, and agree with, each other that:

(a) **Agency.** Each party agrees and acknowledges that (i) J.P. Morgan Securities LLC, an affiliate of the Seller (“**JPMS**”), has acted solely as agent and not as principal with respect to this Transaction and (ii) JPMS has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party’s obligations under this Transaction. JPMS is authorized to act as agent for the Seller.

(b) **Non-Reliance.** Each party has entered into this Transaction solely in reliance on its own judgment. Neither party has any fiduciary obligation to the other party relating to this Transaction. In addition, neither party has held itself out as advising, or has held out any of its employees or agents as having the authority to advise, the other party as to whether or not the other party should enter into this Transaction, any subsequent actions relating to this Transaction or any other matters relating to this Transaction. Neither party shall have any responsibility or liability whatsoever in respect of any advice of this nature given, or views expressed, by it or any such persons to the other party relating to this Transaction, whether or not such advice is given or such views are expressed at the request of the other party. The Purchaser has conducted its own analysis of the legal, accounting, tax and other implications of this Transaction and consulted such advisors, accountants and counsel as it has deemed necessary.

Section 5.04. *Representations and Warranties of the Seller.* The Seller represents and warrants to the Purchaser that:

(a) **Due Authorization.** This Confirmation has been duly authorized, executed and delivered by the Seller and (assuming due authorization, execution and delivery thereof by the Purchaser) constitutes a valid and legally binding obligation of the Seller. The Seller has all corporate power to enter into this Confirmation and to consummate the transactions contemplated hereby and to deliver the Common Stock in accordance with the terms hereof.

(b) **Right to Transfer.** The Seller will, at the Initial Settlement Date and on any other day on which it is required to deliver shares of Common Stock to the Purchaser hereunder, have the free and unqualified right to transfer the Number of Shares of Common Stock to be delivered by the Seller pursuant to Sections 2.01 and 3.01 hereof, free and clear of any security interest, mortgage, pledge, lien, charge, claim, equity or encumbrance of any kind.

(c) **Commodity Exchange Act.** The Seller is an “eligible contract participant”, as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended.

ARTICLE 6 ADDITIONAL COVENANTS

Section 6.01. *Purchaser’s Further Assurances.* The Purchaser hereby agrees with the Seller that the Purchaser shall cooperate with the Seller, and execute and deliver, or use its best efforts to cause to be executed and delivered, all such other instruments, and to obtain all consents, approvals or authorizations of any person, and take all such other actions as the Seller may reasonably request from time to time, consistent with the terms of this Confirmation, in order to effectuate the purposes of this Confirmation and the Transaction contemplated hereby.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

Section 6.02. *Purchaser's Hedging Transactions.* The Purchaser hereby agrees with the Seller that the Purchaser shall not, during the Contract Period, enter into or alter any corresponding or hedging transaction or position with respect to the Common Stock (including, without limitation, with respect to any securities convertible or exchangeable into the Common Stock) and agrees not to alter or deviate from the terms of this Confirmation.

Section 6.03. *No Communications.* The Purchaser hereby agrees with the Seller that the Purchaser shall not, directly or indirectly, communicate any information relating to the Common Stock or this Transaction (including any notices required by Section 6.05) to any employee of the Seller or J.P. Morgan Securities LLC, other than as set forth in the Communications Procedures attached as Annex C hereto.

Section 6.04. *Maximum Deliverable Number of Shares of Common Stock.* (a) Notwithstanding any other provision of this Confirmation, the Purchaser shall not be required to deliver Settlement Shares, or shares of Common Stock or other securities comprising the aggregate Alternative Termination Delivery Units, in excess of the Purchaser Share Cap, in each case except to the extent that the Purchaser has available at such time authorized but unissued shares of such Common Stock or other securities not expressly reserved for any other uses (including, without limitation, shares of Common Stock reserved for issuance upon the exercise of options or convertible debt). The Purchaser shall not permit the sum of (i) the Purchaser Share Cap plus (ii) the aggregate number of shares expressly reserved for any such other uses, in each case whether expressed as caps or as numbers of shares reserved or otherwise, to exceed at any time the number of authorized but unissued shares of Common Stock.

(b) Notwithstanding any other provision of this Confirmation, the Seller shall not be required to deliver Settlement Shares, or shares of Common Stock or other securities comprising the aggregate Alternative Termination Delivery Units, in excess of the Seller Share Cap.

Section 6.05. *Notice of Certain Transactions.* If at any time during the Contract Period, the Purchaser makes, or expects to be made, or has made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any merger, acquisition, or similar transaction involving a recapitalization relating to the Purchaser (other than any such transaction in which the consideration consists solely of cash and there is no valuation period, or as to which the completion of such transaction or the completion of the vote by target shareholders has occurred), then the Purchaser shall (i) notify the Seller prior to the opening of trading in the Common Stock on any day on which the Purchaser makes, or expects to be made, or has made any such public announcement, (ii) notify the Seller promptly following any such announcement (or, if later, prior to the opening of trading in the Common Stock on the first day of any Seller Termination Share Payment Period) that such announcement has been made and (iii) promptly deliver to the Seller following the making of any such announcement (or, if later, prior to the opening of trading in the Common Stock on the first day of any Seller Termination Share Payment Period) a certificate indicating (A) the Purchaser's average daily Rule 10b-18 purchases (as defined in Rule 10b-18) during the three full calendar months preceding the date of such announcement and (B) the Purchaser's block purchases (as defined in Rule 10b-18) effected pursuant to paragraph (b)(4) of Rule 10b-18 during the three full calendar months preceding the date of such announcement. In addition, the Purchaser shall promptly notify the Seller of the earlier to occur of the completion of such transaction and the completion of the vote by target shareholders. Accordingly, the Purchaser acknowledges that its actions in relation to any such announcement or transaction must comply with the standards set forth in Section 6.03.

Section 6.06. *Delivery or Receipt of Cash.* For the avoidance of doubt, other than payment of the Purchase Price by the Purchaser, nothing in this Confirmation shall be interpreted as requiring the Purchaser to cash settle this Transaction, except in circumstances where cash settlement is within the Purchaser's control (including, without

limitation, where the Purchaser elects to deliver or receive cash, where the Purchaser fails timely to elect to deliver Settlement Shares or to deliver or receive Alternative Termination Delivery Units, or where the Purchaser has made Private Placement settlement in accordance with Annex A unavailable due to the occurrence of events within its control) or in those circumstances in which holders of the Common Stock would also receive cash.

ARTICLE 7
TERMINATION

Section 7.01. *Additional Termination Events.* (a) An Additional Termination Event shall occur in respect of which the Purchaser is the sole Affected Party and this Transaction is the sole Affected Transaction if, on any day, the Seller determines, in its commercially reasonable judgment, that it is unable to establish, re-establish or maintain any hedging transactions reasonably necessary in the normal course of such party's business of hedging the price and market risk of entering into and performing under this Transaction, due to market illiquidity, illegality or lack of availability of hedging transaction market participants.

(b) An Additional Termination Event shall occur in respect of which the Purchaser is the sole Affected Party and this Transaction is the sole Affected Transaction if (i) a Share De-listing Event occurs; (ii) a Merger Event occurs; (iii) a Nationalization occurs, (iv) a Distribution Termination Event occurs or (v) an event described in paragraph III of Annex C occurs.

(c) A "**Share De-listing Event**" means that at any time during the Contract Period, the Common Stock ceases to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event, a "**De-Listing**") and is not immediately re-listed, traded or quoted as of the date of such de-listing, on another U.S. national securities exchange or a U.S. automated interdealer quotation system (a "**Successor Exchange**"); *provided* that it shall not constitute an Additional Termination Event if the Common Stock is immediately re-listed on a Successor Exchange upon its De-Listing from the Exchange, and the Successor Exchange shall be deemed to be the Exchange for all purposes. In addition, in such event, the Seller shall make any commercially reasonable adjustments it deems necessary to the terms of the Transaction.

(d) A "**Merger Event**" means the public announcement, including any public announcement as defined in Rule 165(f) of the Securities Act (by the Purchaser or otherwise) at any time during the Contract Period of any (i) planned recapitalization, reclassification or change of the Common Stock that will, if consummated, result in a transfer of more than 20% of the outstanding shares of Common Stock, (ii) planned consolidation, amalgamation, merger or similar transaction of the Purchaser with or into another entity (other than a consolidation, amalgamation or merger in which the Purchaser will be the continuing entity and which does not result in any such recapitalization, reclassification or change of more than 20% of such shares outstanding), (iii) other takeover offer for the shares of Common Stock that is aimed at resulting in a transfer of more than 20% of such shares of Common Stock (other than such shares owned or controlled by the offeror) or (iv) irrevocable commitment to any of the foregoing.

(e) A "**Nationalization**" means that all or substantially all of the outstanding shares of Common Stock or assets of the Purchaser are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

(f) A "**Distribution Termination Event**" means a declaration by the Purchaser of any cash dividend or distribution on shares of Common Stock, other than an Extraordinary Cash Dividend (a "**Cash Distribution**"), that has a record date during the Contract Period, the amount of which, together with all prior declared Cash Distributions that have a record date during the same Reference Period of the Purchaser, exceeds the Cash Distribution Amount specified in the Pricing Supplement for such Reference Period, and in respect of which the Calculation Agent has not made an adjustment pursuant to Section 8.01(b).

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

Section 7.02. *Consequences of Additional Termination Events.* (a) In the event of the occurrence or effective designation of an Early Termination Date under the Agreement, cash settlement, as set forth in Section 7.02(b), shall apply unless (i) the Purchaser elects (which election shall be binding), in lieu of payment of the amount payable in respect of this Transaction pursuant to Section 6(d)(ii) of the Agreement (the “**Termination Amount**”), to deliver or to receive Alternative Termination Delivery Units pursuant to Section 7.03, and (ii) notifies the Seller of such election by delivery of written notice to the Seller on the Business Day immediately following the Purchaser’s receipt of a notice (as required by Section 6(d) of the Agreement following the designation of an Early Termination Date in respect of this Transaction) setting forth the amounts payable by the Purchaser or by the Seller with respect to such Early Termination Date (the date of such delivery, the “**Default Notice Day**”); *provided* that the Purchaser shall not have the right to elect the delivery or receipt of the Alternative Termination Delivery Units pursuant to Section 7.03 if:

(i) the representations and warranties made by the Purchaser to the Seller in Section 5.01 are not true and correct as of the date the Purchaser makes such election, as if made on such date, or

(ii) in the event that the Termination Amount is payable by the Purchaser to the Seller, (A) the Purchaser has taken any action that would make unavailable (x) the exemption set forth in Section 4(2) of the Securities Act, for the sale of any Alternative Termination Delivery Units by the Purchaser to the Seller or (y) an exemption from the registration requirements of the Securities Act reasonably acceptable to the Seller for resales of Alternative Termination Delivery Units by the Seller, and (B) such Early Termination Date is in respect of an Event of Default which is within Purchaser’s control (including, without limitation, failure to execute a Private Placement Agreement or otherwise comply with the requirements applicable to Purchaser set forth in Annex A hereto).

For the avoidance of doubt, upon the Purchaser’s making an election to deliver Alternative Termination Delivery Units pursuant to this Section 7.02(a), the Purchaser shall be deemed to make the representations and warranties in Section 5.01 hereof as if made on the date of the Purchaser’s election. Notwithstanding the foregoing, at any time prior to the time the Seller (or any affiliate of the Seller) has contracted to resell the property to be delivered upon alternative termination settlement, the Purchaser may deliver in lieu of such property an amount in cash equal to the Termination Amount in the manner set forth in Section 6(d) of the Agreement.

(b) If cash settlement applies in respect of an Early Termination Date, Section 6 of the Agreement shall apply.

Section 7.03. *Alternative Termination Settlement.* (a) Subject to Section 7.02(a), if the Termination Amount shall be payable by the Purchaser to the Seller and the Purchaser elects to deliver the Alternative Termination Delivery Units to the Seller, the Purchaser shall, as soon as directed by the Seller after the Default Notice Day (such date, the “**Termination Settlement Date**”), deliver to the Seller a number of Alternative Termination Delivery Units equal to the quotient of (A) the Termination Amount *divided by* (B) the Termination Price.

(b) Subject to Section 7.02(a), if the Termination Amount shall be payable by the Seller to the Purchaser and the Purchaser elects to receive the Alternative Termination Delivery Units from the Seller, (i) the Seller shall, beginning on the first Trading Day following the Default Notice Day and ending when the Seller shall have satisfied its obligations under this clause (the “**Seller Termination Share Purchase Period**”), purchase (subject to the provisions of Section 4.01 and Section 4.02 hereof) a number of Alternative Termination Delivery

Units equal to the quotient of (A) the Termination Amount *divided by* (B) the Termination Price; and (ii) the Seller shall deliver such Alternative Termination Delivery Units to the Purchaser on the settlement dates relating to such purchases.

Section 7.04. *Notice of Default*. If an Event of Default occurs in respect of the Purchaser, the Purchaser will, promptly upon becoming aware of it, notify the Seller specifying the nature of such Event of Default.

ARTICLE 8 ADJUSTMENTS

Section 8.01. *Cash Dividends*. (a) If the Purchaser declares any Extraordinary Cash Dividend that has a record date during the Contract Period, then prior to or on the date on which such Extraordinary Cash Dividend is paid by the Purchaser to holders of record, the Purchaser shall pay to the Seller an amount in cash equal to the product of (i) the amount of such Extraordinary Cash Dividend and (ii) the theoretical short delta number of shares as of the opening of business on the related ex-dividend date, as determined by the Calculation Agent, required for the Seller to hedge its exposure to the Transaction.

(b) If the Purchaser declares any cash dividend on shares of Common Stock that is not an Extraordinary Cash Dividend (an “**Ordinary Cash Dividend**”) and that has a record date during the Contract Period, and the amount of such Ordinary Cash Dividend, together with all prior declared Ordinary Cash Dividends that have a record date during the same Reference Period, exceeds the Cash Distribution Amount specified in the Pricing Supplement for such Reference Period, the Calculation Agent may make corresponding adjustments with respect to the Floor Price as the Calculation Agent determines appropriate to preserve the fair value of the Transaction to the Seller, and shall determine the effective date of such adjustment.

Section 8.02. *Other Dilution Adjustments*. If (x) any corporate event occurs having a dilutive or concentrative effect on the theoretical value of the Common Stock (other than any cash dividend but including, without limitation, a spin-off, a stock split, stock or other dividend or distribution, reorganization, rights offering or recapitalization), or (y) as a result of the definition of Trading Day (whether because of a suspension of transactions pursuant to Section 4.02 or otherwise), any day that would otherwise be a Trading Day during the Contract Period is not a Trading Day or on such Trading Day, pursuant to Section 4.02, the Seller effects transactions with respect to shares of Common Stock at a volume lower than originally anticipated with respect to this Transaction, or (z) as a result of market conditions, the Seller incurs additional costs in connection with maintaining its hedge position with respect to this Transaction resulting from the insufficient availability of stock lenders willing and able to lend shares of Common Stock with a borrow cost not significantly greater than the cost as of the date hereof and otherwise on terms consistent with those as of the date hereof, then in any such case, the Calculation Agent shall make corresponding adjustments with respect to any variable relevant to the terms of the Transaction, as the Calculation Agent determines appropriate to preserve the fair value of the Transaction to the Seller, and shall determine the effective date of such adjustment.

ARTICLE 9 MISCELLANEOUS

Section 9.01. *Successors and Assigns*. All covenants and agreements in this Confirmation made by or on behalf of either of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

Section 9.02. *Purchaser Indemnification.* The Purchaser (the “**Indemnifying Party**”) agrees to indemnify and hold harmless the Seller and its officers, directors, employees, affiliates, advisors, agents and controlling persons (each, an “**Indemnified Person**”) from and against any and all losses, claims, damages and liabilities, joint or several (collectively, “**Obligations**”), to which an Indemnified Person may become subject arising out of or in connection with this Confirmation or any claim, litigation, investigation or proceeding relating thereto, regardless of whether any of such Indemnified Person is a party thereto, and to reimburse, within 30 days, upon written request, each such Indemnified Person for any reasonable legal or other expenses incurred in connection with investigating, preparation for, providing evidence for or defending any of the foregoing, provided, however, that the Indemnifying Party shall not have any liability to any Indemnified Person to the extent that such Obligations (i) are finally determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person (and in such case, such Indemnified Person shall promptly return to the Indemnifying Party any amounts previously expended by the Indemnifying Party hereunder) or (ii) are trading losses incurred by the Seller as part of its purchases or sales of shares of Common Stock pursuant to this Confirmation (unless the Purchaser has breached any agreement, term or covenant herein).

Section 9.03. *Assignment and Transfer.* Notwithstanding the Agreement, the Seller may assign any of its rights or duties hereunder to any one or more of its affiliates without the prior written consent of the Purchaser. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Seller to purchase, sell, receive or deliver any shares of Common Stock or other securities to or from the Purchaser, Seller may designate any of its affiliates to purchase, sell, receive or deliver such shares of Common Stock or other securities and otherwise to perform the Seller’s obligations in respect of this Transaction and any such designee may assume such obligations. The Seller may assign the right to receive Settlement Shares to any third party who may legally receive Settlement Shares. The Seller shall be discharged of its obligations to the Purchaser only to the extent of any such performance. For the avoidance of doubt, Seller hereby acknowledges that notwithstanding any such designation hereunder, to the extent any of Seller’s obligations in respect of this Transaction are not completed by its designee, Seller shall be obligated to continue to perform or to cause any other of its designees to perform in respect of such obligations.

Section 9.04. *Calculation Agent.* Whenever the Calculation Agent is required to act or to exercise judgment in a any way with respect to this Transaction, it will do so in good faith and in a commercially reasonable manner.

Section 9.05. *Non-confidentiality.* The Seller and the Purchaser hereby acknowledge and agree that, subject to Section 6.03, each is authorized to disclose every aspect of this Confirmation and the transactions contemplated hereby to any and all persons, without limitation of any kind, and there are no express or implied agreements, arrangements or understandings to the contrary.

Section 9.06. *Unenforceability and Invalidity.* To the extent permitted by law, the unenforceability or invalidity of any provision or provisions of this Confirmation shall not render any other provision or provisions herein contained unenforceable or invalid.

Section 9.07. *Securities Contract.* The parties hereto agree and acknowledge as of the date hereof that (i) the Seller is a “financial institution” within the meaning of Section 101(22) of Title 11 of the United States Code (the “**Bankruptcy Code**”) and (ii) this Confirmation is a “securities contract,” as such term is defined in Section 741(7) of the Bankruptcy Code, entitled to the protection of Sections 362(b)(6) and 555 of the Bankruptcy Code.

Section 9.08. *No Collateral, Netting or Setoff.* Notwithstanding any provision of the Agreement, or any other agreement between the parties, to the contrary, the obligations of the Purchaser hereunder are not secured by any collateral. Obligations under this Transaction shall not be netted, recouped or set off (including pursuant to

Section 6 of the Agreement) against any other obligations of the parties, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise, and no other obligations of the parties shall be netted, recouped or set off (including pursuant to Section 6 of the Agreement) against obligations under this Transaction, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise, and each party hereby waives any such right of setoff, netting or recoupment.

Section 9.09. *Notices.* Unless otherwise specified herein, any notice, the delivery of which is expressly provided for in this Confirmation, may be made by telephone, to be confirmed in writing to the address below. Changes to the information below must be made in writing.

(a) If to the Purchaser:

Myriad Genetics, Inc.
320 Wakara Way
Salt Lake City, UT 84108
Attention: James Evans
Title: Chief Financial Officer
Telephone No: (801) 584-3672
Facsimile No: (801) 584-3640

(b) If to the Seller:

EDG Marketing Support
Email: EDG_OTC_HEDGING_MS@jpmorgan.com
Fax: 1-866-886-4506

With a copy to:

Mr. Phil L Lamariana
Executive Director
383 Madison Avenue, Floor 05
New York, NY, 10179, United States
Telephone No: (212) 622-2252
Facsimile No: (212) 622-0398
Email: phil.l.lamariana@jpmchase.com

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

J.P. MORGAN SECURITIES LLC, as agent for JPMorgan
Chase Bank, National Association, London Branch

By: _____
Name:
Title:

Confirmed as of the date first
above written:

MYRIAD GENETICS, INC.

By: _____
Name:
Title:

JPMorgan Chase Bank, National Association
Organised under the laws of the United States as a National Banking Association.
Main Office 1111 Polaris Parkway, Columbus, Ohio 43271
Registered as a branch in England & Wales branch No. BR000746.
Registered Branch Office 125 London Wall, London EC2Y 5AJ
Authorised and regulated by the Financial Services Authority

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

PRIVATE PLACEMENT PROCEDURES

I. Introduction

Myriad Genetics, Inc., a Delaware corporation (the “**Purchaser**”) and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (the “**Seller**”) have agreed to these procedures (the “**Private Placement Procedures**”) in connection with entering into the Confirmation (the “**Confirmation**”) dated as of March 1, 2011 between JPMorgan and the Purchaser relating to the sale by JPMorgan to the Purchaser of common stock, par value \$0.01 per share, or security entitlements in respect thereof (the “**Common Stock**”) of the Purchaser. These Private Placement Procedures supplement, form part of, and are subject to the Confirmation and all terms used and not otherwise defined herein shall have the meanings assigned to them in the Confirmation.

II. Procedures

If the Purchaser elects to deliver Private Placement Shares pursuant to Section 3.01(b) of the Confirmation or elects to deliver Alternative Termination Delivery Units pursuant to Section 7.02(a) of the Confirmation, the Purchaser shall effect such delivery in compliance with the private placement procedures provided herein.

(a) The Purchaser shall afford the Seller, and any potential buyers of the Private Placement Shares (or, in the case of alternative termination settlement, Alternative Termination Delivery Units) (collectively, the “**Private Securities**”) designated by the Seller a reasonable opportunity to conduct a due diligence investigation with respect to the Purchaser customary in scope for private offerings of such type of securities (including, without limitation, the availability of senior management to respond to questions regarding the business and financial condition of the Purchaser and the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them), and the Seller (or any such potential buyer) shall be satisfied in all material respects with such opportunity and with the resolution of any disclosure issues arising from such due diligence investigation of the Purchaser.

(b) Prior to or contemporaneously with the determination of the Private Placement Price (as described below), the Purchaser shall enter into an agreement (a “**Private Placement Agreement**”) with the Seller (or any affiliate of the Seller designated by the Seller) providing for the purchase and resale by the Seller (or such affiliate) in a private placement (or other transaction exempt from registration under the Securities Act) of the Private Securities, which agreement shall be on commercially reasonable terms and in form and substance reasonably satisfactory to the Seller (or such affiliate) and (without limitation of the foregoing) shall:

(i) contain customary conditions, and customary undertakings, representations and warranties (to the Seller or such affiliate, and if requested by the Seller or such affiliate, to potential purchasers of the Private Securities);

(ii) contain indemnification and contribution provisions in connection with the potential liability of the Seller and its affiliates relating to the resale by the Seller (or such affiliate) of the Private Securities;

(iii) provide for the delivery of related certificates and representations, warranties and agreements of the Purchaser, including those necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for the Seller and resales of the Private Securities by the Seller (or such affiliate); and

(iv) provide for the delivery to the Seller (or such affiliate) of customary opinions (including, without limitation, opinions relating to the due authorization, valid issuance and fully paid and non-assessable nature of the Private Securities, the availability of an exemption from the Securities Act for the Seller and resales of the Private Securities by the Seller (or such affiliate), and the lack of material misstatements and omissions in the Purchaser's filings under the Exchange Act).

(c) The Seller shall determine the Private Placement Price (or, in the case of alternative termination settlement, the Termination Price) in its judgment by commercially reasonable means, which may include (without limitation):

(i) basing such price on indicative bids from investors;

(ii) taking into account any factors that are customary in pricing private sales and any and all risks and costs in connection with the resale of the Private Securities by the Seller (or any affiliate of the Seller designated by the Seller), including, without limitation, a reasonable placement fee or spread to be retained by the Seller (or such affiliate); and

(iii) providing for the payment by the Purchaser of all fees and expenses in connection with such sale and resale, including all fees and expenses of counsel for the Seller or such affiliate.

(d) The Seller shall notify the Purchaser of the number of Private Securities required to be delivered by the Purchaser and the Private Placement Price (or, in the case of alternative termination settlement, the Termination Price) by 6:00 p.m. on the day such price is determined.

(e) The Purchaser agrees not to take or cause to be taken any action that would make unavailable either (i) the exemption set forth in Section 4(2) of the Securities Act, for the sale of any Private Securities by the Purchaser to the Seller or (ii) an exemption from the registration requirements of the Securities Act reasonably acceptable to the Seller for resales of Private Securities by the Seller.

(f) The Purchaser expressly agrees and acknowledges that the public disclosure of all material information relating to the Purchaser is within the Purchaser's control and that the Purchaser shall promptly so disclose all such material information during the period from the Valuation Completion Date to and including the Settlement Date.

The Purchaser agrees to use its best efforts to make any filings required to be made by it with the SEC, any securities exchange or any other regulatory body with respect to the Transaction contemplated hereby and the issuance of the Private Securities.

A-2

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

REGISTRATION PROCEDURES

I. Introduction

Myriad Genetics, Inc., a Delaware corporation (the “**Purchaser**”) and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (the “**Seller**”) have agreed to these procedures (the “**Registration Procedures**”) in connection with entering into the Confirmation (the “**Confirmation**”) dated as of March 1, 2011 between JPMorgan and the Purchaser relating to the sale by JPMorgan to the Purchaser of common stock, par value \$0.01 per share, or security entitlements in respect thereof (the “**Common Stock**”) of the Counterparty. These Registration Procedures supplement, form part of, and are subject to the Confirmation and all terms used and not otherwise defined herein shall have the meanings assigned to them in the Confirmation.

II. Procedures

If the Purchaser elects to deliver Registered Shares pursuant to Section 3.01(b) of the Confirmation, the Purchaser shall effect such delivery in compliance with the registration procedures provided herein.

(a) The Purchaser shall take all actions within its control to make available to the Seller and its affiliates an effective primary registration statement under the Securities Act and one or more prospectuses as necessary or advisable to allow the Seller and its affiliates to comply with the applicable prospectus delivery requirements (the “**Prospectus**”) for the sale by Seller or its affiliates of the Registered Shares to be delivered by the Purchaser pursuant to the Confirmation (the “**Registration Statement**”), such Registration Statement to be effective and Prospectus to be current until all such sales by the Seller (or its affiliates) have been settled. The Purchaser shall take all actions reasonably requested by the Seller to facilitate the disposition of any Registered Shares to be sold pursuant to such Registration Statement.

(b) The Purchaser shall use commercially reasonable efforts to prevent the issuance of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any Prospectus and, if any such order is issued, to obtain the lifting thereof as soon thereafter as is reasonably possible. If the Registration Statement, the Prospectus or any document incorporated therein by reference contains a misstatement of a material fact or omits to state a material fact required to be stated therein or necessary to make any statement therein not misleading, the Purchaser shall as promptly as reasonably practicable file any required document and prepare and furnish to the Seller a reasonable number of copies of such supplement or amendment thereto as may be necessary so that the Prospectus, as thereafter delivered to the purchasers in connection with sales of Registered Shares thereunder, will not contain any misstatement of a material fact or omit to state a material fact required to be stated therein or necessary to make any statement therein not misleading.

(c) The Purchaser shall afford the Seller (and its agents and affiliates) a reasonable opportunity to conduct a due diligence investigation with respect to the Purchaser customary in scope for registered offerings of such type of securities (including, without limitation, the availability of senior management and external advisors to respond to questions regarding the business and financial condition of the Purchaser and the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them), and such opportunity and the resolution of any disclosure issues arising from such due diligence investigation of the Purchaser shall be satisfactory to Seller in all material respects. The Purchaser shall reimburse the Seller for all reasonable out-of-pocket expenses it incurs in connection with such diligence and otherwise in connection with the preparation of the Registration Statement and Prospectus, including, without limitation, the reasonable fees and expenses of outside counsel to the Seller incurred in connection therewith.

B-1

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

(d) The Purchaser shall enter into an agreement (a “**Registration Agreement**”) with the Seller (or any affiliate of the Seller designated by the Seller) providing for the registration of the Registered Shares, which agreement shall be on commercially reasonable terms and in form and substance reasonably satisfactory to the Seller (or such affiliate) and (without limitation of the foregoing) shall:

- (i) contain customary conditions, and customary undertakings, representations and warranties (to the Seller or such affiliate);
- (ii) contain indemnification and contribution provisions in connection with the potential liability of the Seller and its affiliates relating to the sale by the Seller (or such affiliate) of the Registered Shares;
- (iii) provide for the delivery of related certificates and representations, warranties and agreements of the Purchaser;
- (iv) provide for the delivery of accountants’ “comfort letters” to the Seller in form and substance satisfactory to the Seller, containing statements and information of the type customarily included in such letters to “underwriters” with respect to the financial statements and certain financial information contained, or incorporated by reference, in the Registration Statement and the Prospectus; and
- (v) provide for the delivery to the Seller (or such affiliate) of customary opinions, including, without limitation, opinions relating to the due authorization, valid issuance and fully paid and non-assessable nature of the Registered Shares and the lack of material misstatements and omissions in the Registration Statement (including any documents incorporated by reference therein).

(e) The Seller shall notify the Purchaser of the numbers of Registered Shares to be delivered by the Purchaser on the Settlement Dates, as necessary in light of the Seller’s unwinding of its hedge positions in connection with the Transaction and sales of Registered Shares in accordance with these Registration Procedures, and the Purchaser shall deliver such Shares to the Seller on such Settlement Dates in accordance with the Seller’s customary procedures. The parties understand and acknowledge that (i) the Seller or its affiliates expect to make contemporaneous or nearly contemporaneous (A) purchases of Common Stock to unwind its hedge and (B) sales of Registered Shares in accordance with these Registration Procedures, (ii) the Seller or its affiliates intend to make such sales of Registered Shares in a manner that is not a distribution for purposes of Regulation M, and (iii) accordingly, the length of the period during which the Seller or its affiliates make such purchases and sales will depend in part on prevailing trading volumes for the Common Stock.

(f) In the event that (i) the Purchaser fails to comply with the requirements set forth in this Annex B, (ii) the Registration Statement is not effective on or prior to the date that is 30 days after the Valuation Completion Date, or fails to remain effective until all Registered Shares have been sold hereunder, (iii) the opportunity to conduct a due diligence investigation with respect to the Purchaser and the resolution of any issues arising therefrom is not satisfactory to Seller and its affiliates in all material respects, or does not continue to be satisfactory to the Seller and its affiliates in all material respects until all Registered Shares have been sold hereunder, (iv) the Seller or its affiliates are not able to make sales of Registered Shares in a manner that permits the contemporaneous or nearly contemporaneous purchase by the Seller or its affiliates of Common Stock in accordance with Regulation M or (v) the Registration Procedures otherwise become unavailable for the sale by the Seller and its affiliates of the Registered Shares delivered by the Purchaser hereunder prior to the completion of the sale thereof, then in any such event, the provisions of Section 3.01(d) of the Confirmation providing for cash settlement with respect to any unsold Registered Shares shall apply, appropriately modified to take into account any Registered Shares theretofore delivered and sold pursuant to these Registration Procedures.

B-2

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

COMMUNICATIONS PROCEDURES

March 1, 2011

I. Introduction

Myriad Genetics, Inc., a Delaware corporation (“**Counterparty**”) and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (“**JPMorgan**”) have adopted these communications procedures (the “**Communications Procedures**”) in connection with entering into the Confirmation (the “**Confirmation**”) dated as of March 1, 2011 between JPMorgan and Counterparty relating to the sale by JPMorgan to Counterparty of common stock, par value \$0.01 per share, or security entitlements in respect thereof (the “**Common Stock**”) of the Counterparty. These Communications Procedures supplement, form part of, and are subject to the Confirmation.

II. Communications Rules

From the date hereof until the end of the Contract Period, Counterparty and its Employees and Designees shall not engage in any Program-Related Communication with, or disclose any Material Non-Public Information to, any EDG Trading Personnel. Except as set forth in the preceding sentence, the Confirmation shall not limit Counterparty and its Employees and Designees in their communication with Affiliates and Employees of JPMorgan, including without limitation Employees who are EDG Permitted Contacts.

III. Termination

If, in the sole judgment of any EDG Trading Personnel or any affiliate or Employee of JPMorgan participating in any Communication with Counterparty or any Employee or Designee of Counterparty, such Communication would not be permitted by these Communications Procedures, such EDG Trading Personnel or affiliate or Employee of JPMorgan shall immediately terminate such Communication. In such case, or if such EDG Trading Personnel or affiliate or Employee of JPMorgan determines following completion of any Communication with Counterparty or any Employee or Designee of Counterparty that such Communication was not permitted by these Communications Procedures, such EDG Trading Personnel or such affiliate or Employee of JPMorgan shall promptly consult with his or her supervisors and with counsel for JPMorgan regarding such Communication. If, in the reasonable judgment of JPMorgan’s counsel following such consultation, there is more than an insignificant risk that such Communication could materially jeopardize the availability of the affirmative defenses provided in Rule 10b5-1 under the Exchange Act with respect to any ongoing or contemplated activities of JPMorgan or its affiliates in respect of the Confirmation, it shall be an Additional Termination Event with respect to the Confirmation.

IV. Definitions

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Confirmation. As used herein, the following words and phrases shall have the following meanings:

C-1

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

“**Communication**” means any contact or communication (whether written, electronic, oral or otherwise) between Counterparty or any of its Employees or Designees, on the one hand, and JPMorgan or any of its affiliates or Employees, on the other hand.

“**Designee**” means a person designated, in writing or orally, by Counterparty to communicate with JPMorgan on behalf of Counterparty.

“**EDG Permitted Contact**” means any of Mr. David Aidelson, Mr. Gregory Batista, Mr. Elliot Chalom, Mr. Steven Seltzer, Mr. James F. Smith, Mr. Phil L. Lamariana, Mr. Pooneet G. Kant, Ms. Angela B. Terra or any of their designees; *provided* that JPMorgan may amend the list of EDG Permitted Contacts by delivering a revised list of EDG Permitted Contacts to Counterparty.

“**EDG Trading Personnel**” means Graham Orton, Michael Tatro and any other Employee of the public side of the Equity Derivatives Group or the Special Equities Group of J.P. Morgan Chase & Co.; *provided* that JPMorgan may amend the list of EDG Trading Personnel by delivering a revised list of EDG Trading Personnel to Counterparty; and *provided further* that, for the avoidance of doubt, the persons listed as EDG Permitted Contacts are not EDG Trading Personnel.

“**Employee**” means, with respect to any entity, any owner, principal, officer, director, employee or other agent or representative of such entity, and any affiliate of any of such owner, principal, officer, director, employee, agent or representative.

“**Material Non-Public Information**” means information relating to the Counterparty or the Common Stock that (a) has not been widely disseminated by wire service, in one or more newspapers of general circulation, by communication from the Counterparty to its shareholders or in a press release, or contained in a public filing made by the Counterparty with the Securities and Exchange Commission and (b) a reasonable investor might consider to be of importance in making an investment decision to buy, sell or hold shares of Common Stock. For the avoidance of doubt and solely by way of illustration, information should be presumed “material” if it relates to such matters as dividend increases or decreases, earnings estimates, changes in previously released earnings estimates, significant expansion or curtailment of operations, a significant increase or decline of orders, significant merger or acquisition proposals or agreements, significant new products or discoveries, extraordinary borrowing, major litigation, liquidity problems, extraordinary management developments, purchase or sale of substantial assets and similar matters.

“**Program-Related Communication**” means any Communication the subject matter of which relates to the Confirmation or any Transaction under the Confirmation or any activities of JPMorgan (or any of its affiliates) in respect of the Confirmation or any Transaction under the Confirmation.

C-2

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

PRICING SUPPLEMENT

This Pricing Supplement is subject to the Confirmation dated as of March 1, 2011 (the “**Confirmation**”) between J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (the “**Seller**”), and Myriad Genetics, Inc., a Delaware corporation (the “**Purchaser**”). Capitalized terms used herein have the meanings set forth in the Confirmation.

- 1 **Discount:** [***] of the Initial Price, rounded to the nearest [***] of a cent.
- 2 **Initial Delivery Percentage** [***]%
- 3 **Contract Fee:** [***]
- 4 **Floor Price:** [***]
- 5 **Registered Shares Fee:** [***]
- 6 **Valuation Completion Date:** The Trading Day, during the period commencing on and including the [***] Trading Day following the Trade Date and ending on and including the Expiration Date, specified as such by the Seller, in its sole judgment, by delivering a notice designating such Trading Day as a Valuation Completion Date by the close of business on the Business Day immediately following such Trading Day; *provided* that if the Seller fails to validly designate the Valuation Completion Date prior to the Expiration Date, the Valuation Completion Date shall be the Expiration Date.

7 **Cash Distribution Amount:**

Cash Distribution Amount
\$0.00 per share of Common Stock

Reference Period
Trade Date – through and including the final day of the Contract Period.

D-1

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

[Letterhead of Purchaser]

JPMorgan Chase Bank, National Association
c/o J.P. Morgan Securities LLC
277 Park Avenue
11th Floor
New York, New York 10172

Re: Accelerated Purchase of Equity Securities

Ladies and Gentlemen:

In connection with our entry into the Confirmation dated as of March 1, 2011 (the "**Confirmation**"), we hereby represent that set forth below is the total number of shares of our common stock purchased by or for us or any of our affiliated purchasers in Rule 10b-18 purchases of blocks (all defined in Rule 10b-18 under the Securities Exchange Act of 1934) pursuant to the once-a-week block exception set forth in Rule 10b-18(b)(4) during the four full calendar weeks immediately preceding the first day of the [Valuation Period] [Cash Settlement Purchase Period] [Seller Termination Share Purchase Period] (as defined in the Confirmation) and the week during which the first day of the Valuation Period occurs.

Number of Shares: _____

We understand that you will use this information in calculating trading volume for purposes of Rule 10b-18.

Very truly yours,

MYRIAD GENETICS, INC.

By: _____
Name:
Title:

Exh-A-1

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, Peter D. Meldrum, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Myriad Genetics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

By: /s/ Peter D. Meldrum
Peter D. Meldrum
President and Chief Executive Officer

SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, James S. Evans, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Myriad Genetics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

By: /s/ James S. Evans
James S. Evans
Chief Financial Officer
(Principal financial and chief accounting officer)

Exhibit 32.1

Certification

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Myriad Genetics, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2011

Date: May 4, 2011

By: /s/ Peter D. Meldrum

By: /s/ James S. Evans

Peter D. Meldrum
President and Chief Executive Officer

James S. Evans
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.