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

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1999

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

Commission file number: 0-26642

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

Delaware	87-0494517
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
320 Wakara Way, Salt Lake City, UT	84108
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

As of May 7, 1999, the registrant had 9,411,945 shares of common stock outstanding.

MYRIAD GENETICS, INC.

INDEX TO FORM 10-Q

PART I - Financial Information

		Page
Item 1.	Financial Statements.	
	Condensed Consolidated Balance Sheet as of March 31, 1999 and June 30, 1998	3
	Condensed Consolidated Statements of Operations for the three and nine months ended March 31, 1999 and 1998	4
	Condensed Consolidated Statements of Cash Flows for the nine months ended March 31, 1999 and 1998	5
	Notes to Condensed Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	8
	PART II - Other Information	
Item 1.	Legal Proceedings	13
Item 2.	Changes in Securities	13
Item 3.	Defaults Upon Senior Securities	13
Item 4.	Submission of Matters to a Vote of Security Holders	13
Item 5.	Other Information	13
Item 6.	Exhibits and Reports on Form 8-K	13
SIGNATURE(S)		14

MYRIAD GENETICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 1999 (Unaudited)	June 30, 1998
Assets		
Current assets:		
Cash and cash equivalents	$ 8,334,758	$ 14,595,034
Marketable investment securities	2,986,275	16,267,156
Prepaid expenses	795,502	266,679
Trade accounts receivables, less allowance for doubtful accounts of $30,302 at March 31, 1999 and $66,000 at June 30, 1998	1,251,728	471,327
Non-trade receivables	85,015	117,053
Total current assets	13,453,278	31,717,249
Equipment and leasehold improvements:		
Equipment	12,877,213	16,049,721
Leasehold improvements	3,592,161	2,288,241
	16,469,374	18,337,962
Less accumulated depreciation and amortization	6,386,653	5,902,926
Net equipment and leasehold improvements	10,082,721	12,435,036
Long-term marketable investment securities	31,821,418	22,247,303
Other assets	865,823	992,384
	$ 56,223,240	$ 67,391,972
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,063,517	$ 5,121,279
Accrued liabilities	1,411,558	1,938,722
Deferred revenue	396,636	2,722,115
Current portion of notes payable	--	128,843
Total current liabilities	5,871,711	9,910,959
Stockholders' equity		
Common stock, $0.01 par value, 15,000,000 shares authorized; issued and outstanding 9,411,945 at March 31 1999 and 9,337,501 at June 30, 1998	94,199	93,375
Additional paid-in capital	92,251,790	91,907,034
Accumulated other comprehensive loss	(562)	1,477
Deferred compensation	(318,656)	(576,446)
Accumulated deficit	(41,675,162)	(33,944,427)
Net stockholders' equity	50,351,529	57,481,013
	$ 56,223,240	$ 67,391,972

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	Mar. 31, 1999 (Unaudited)	Mar. 31, 1998 (Unaudited)	Mar. 31, 1999 (Unaudited)	Mar. 31, 1998 (Unaudited)
Revenues:				
Research revenue	$ 5,568,774	$ 5,122,404	$ 14,751,802	$ 15,201,336
Genetic testing revenue	1,493,341	566,689	3,617,770	1,501,151
Total revenues	7,062,115	5,689,093	18,369,572	16,702,487
Expenses:				
Research and development expense	6,141,258	5,457,187	17,640,553	16,663,344
Selling, general and administrative expense	2,699,929	3,308,826	8,015,646	8,315,482
Genetic testing cost of revenue	851,204	351,154	2,233,012	892,739
Total expenses	9,692,391	9,117,167	27,889,211	25,871,565
Operating loss	(2,630,276)	(3,428,074)	(9,519,639)	(9,169,078)
Other income (expense):				
Interest income	557,304	789,229	1,832,994	2,490,588
Interest expense	--	(7,045)	(6,279)	(27,942)
Loss on sale of fixed assets	(105,002)	(2,333)	(37,812)	(2,213)
	452,302	779,851	1,788,903	2,460,433
Net loss	($2,177,974)	($2,648,223)	($7,730,736)	($6,708,645)
Basic and diluted loss per share	($0.23)	($0.28)	($0.82)	($0.72)
Basic and diluted weighted average shares outstanding	9,411,901	9,312,542	9,382,013	9,276,604

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended	
	Mar. 31, 1999 (Unaudited)	Mar. 31, 1998 (Unaudited)
Cash flows from operating activities:		
Net loss	($7,730,736)	($6,708,645)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,459,738	2,405,172
Loss on sale of equipment	37,812	2,213
Bad debt expense	(35,698)	--
Increase in trade receivables	(744,703)	(205,070)
Decrease (increase) in non-trade receivables	32,037	(352,839)
Decrease (increase) in prepaid expenses	(528,823)	93,127
Decrease in other assets	126,563	--
Increase (decrease) in accounts payable and accrued expenses	(1,584,926)	857,027
Decrease in deferred revenue	(2,325,479)	(1,204,046)
Net cash used in operating activities	(10,294,215)	(5,113,061)
Cash flows from investing activities:		
Capital expenditures	(3,423,445)	(2,092,604)
Proceeds from sale of equipment	3,554,479	1,406
Net change in marketable investment securities	3,686,248	4,758,483
Net cash provided by investing activities	3,817,282	2,667,285
Cash flows from financing activities:		
Net payments of notes payable	(128,843)	(253,697)
Net proceeds from issuance of common stock	345,500	400,486
Net cash provided by financing activities	216,657	146,789
Net decrease in cash and cash equivalents	(6,260,276)	(2,298,987)
Cash and cash equivalents at beginning of period	14,595,034	15,675,763
Cash and cash equivalents at end of period	$ 8,334,758	$ 13,376,776

See accompanying notes to condensed consolidated financial statements.

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

(1) Basis of Presentation

The accompanying condensed unaudited consolidated financial statements have been prepared by Myriad Genetics, Inc. (the "Company") in accordance with generally accepted accounting principles for interim financial information and pursuant to the applicable rules and regulations of the Securities and Exchange Commission. The condensed unaudited consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. In the opinion of management, the accompanying financial statements contain all adjustments (consisting of normal and recurring accruals) necessary to present fairly all financial statements. The financial statements herein should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 1998, included in the Company's Annual Report on Form 10-K for the year ended June 30, 1998. Operating results for the three and nine month periods ended March 31, 1999 may not necessarily be indicative of the results to be expected for any other interim period or for the full year.

(2) Comprehensive Loss

The Company adopted Statement of Financial Accounting Standards No. 130 (SFAS 130), "Reporting Comprehensive Income", effective July 1, 1998. SFAS 130 establishes standards for reporting and displaying comprehensive loss and its components in financial statements. The components of the Company's comprehensive loss are as follows:

	Three Months Ended		Nine Months Ended	
	Mar. 31, 1999	Mar. 31, 1998	Mar. 31, 1999	Mar. 31, 1998
Net loss	($2,177,974)	($2,648,223)	($7,730,736)	($6,708,645)
Unrealized gain (loss) on available-for-sale marketable investment securities	33,968	(5,348)	(2,039)	(8,468)
Comprehensive loss	($2,144,006)	($2,653,571)	($7,732,775)	($6,717,113)

(3) Net Loss Per Common and Common Equivalent Share

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

In calculating earnings (loss) per common and common-equivalent share the net income (loss) and the weighted average common and common-equivalent shares outstanding were the same for both the basic and diluted calculation.

As of March 31, 1999 and March 31, 1998, there were antidilutive common stock equivalents of 1,858,918 and 1,492,983, respectively. Accordingly, these common stock equivalents were not included in the computation of diluted earnings per share for the periods presented, but may be dilutive to future basic and diluted earnings per share.

(4) Subsidiaries

In April 1999, the Company announced the formation of Myriad Pharmaceuticals, Inc. ("Pharmaceuticals"), a wholly owned subsidiary of the Company. Pharmaceuticals, a Delaware corporation, was established to develop therapeutic lead compounds for selected common diseases with large potential markets that are under-served by current therapeutic options. The new subsidiary will use drug targets discovered with the Company's protein interaction technology, ProNet, to identify candidates for pre-clinical development. Pharmaceuticals, along with Myriad Genetic Laboratories, Inc., the Company's wholly owned genetic testing facility, and Myriad Financial, Inc., the Company's wholly owned leasing company, constitute the subsidiaries of the Company.

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

Overview

Since inception, the Company has devoted substantially all of its resources to maintaining its research and development programs, establishing and operating a genetic testing laboratory, and supporting collaborative research agreements. Revenues received by the Company primarily have been payments pursuant to collaborative research agreements and sales of genetic tests. The Company has been unprofitable since its inception and, for the quarter ended March 31, 1999, the Company had a net loss of $2,177,974 and as of March 31, 1999 had an accumulated deficit of $41,675,162.

In April 1995, the Company commenced a five-year collaborative research and development arrangement with Novartis Corporation ("Novartis"). This collaboration provides the Company with an equity investment, research funding and potential milestone payments of up to $60,000,000. The Company is entitled to receive royalties from sales of therapeutic products sold by Novartis.

In September 1995, the Company commenced a five-year collaborative research and development arrangement with Bayer Corporation ("Bayer"). This collaboration provides the Company with an equity investment, research funding and potential milestone payments of up to $71,000,000. In November 1997 and again in December 1998, the Company announced expansions of its collaborative research and development arrangement with Bayer. The expanded collaboration may provide the Company with additional research funding and potential milestone payments of up to $137,000,000. The Company is entitled to receive royalties from sales of therapeutic products sold by Bayer.

In October 1996, the Company announced the introduction of BRACAnalysis, a comprehensive BRCA1 and BRCA2 gene sequence analysis for susceptibility to breast and ovarian cancer. In January 1998, the Company announced the introduction of CardiaRisk, a test for salt sensitive hypertension. The Company, through its wholly owned subsidiary Myriad Genetic Laboratories, Inc., recognized genetic testing revenues of $1,493,341 for the quarter ended March 31, 1999.

In April 1997, the Company commenced a three-year collaborative research and development arrangement with Schering Corporation ("Schering"). The three-year term may be extended for two additional one-year periods. This collaboration provides the Company with an equity investment, license fees, research funding and potential milestone payments totalling up to $60,000,000. The Company is entitled to receive royalties from sales of therapeutic products sold by Schering.

In October 1998, the Company entered into a five-year collaboration with Schering AG, Germany, to utilize the Company's protein interaction technology ("ProNet") for drug discovery and development. Under the agreement, the Company will have an option to co-promote all new therapeutic products in North America and receive 50 percent of the profits from North American sales of all new drugs discovered with ProNet. This collaboration may provide the Company with licensing fees, subscription fees, option payments and milestone fees with a value of up to $51,000,000.

In November 1998, the Company entered into a 15 month collaboration with Monsanto Company ("Monsanto"), to utilize ProNet for drug discovery and development. Under the agreement, Monsanto has the option to extend the research term for a period of twelve months. If the anticipated milestones, option payments, license fees and upfront payments are achieved, the value of the agreement may reach up to $15,000,000. The Company will also receive royalties on worldwide sales of drugs resulting from the discovery of novel targets found through use of the ProNet technology.

The Company intends to enter into additional collaborative relationships to locate and sequence genes associated with other common diseases as well as continuing to fund internal research projects. There can be no assurance that the Company will be able to enter into additional collaborative relationships on terms acceptable to the Company. The Company expects to incur losses for at least the next several years, primarily due to expansion of its research and

development programs, increased staffing costs and expansion of its facilities. Additionally, the Company expects to incur substantial sales, marketing and other expenses in connection with building its genetic testing business. The Company expects that losses will fluctuate from quarter to quarter and that such fluctuations may be substantial.

Results of Operations for the Three Months Ended March 31, 1999 and 1998

Research revenues for the quarter ended March 31, 1999 increased $446,370 from the same quarter of 1998. The increase was attributable primarily to the expanded scope of the Bayer agreement and the revenue recognized from the Monsanto agreement. During the quarter ended March 31, 1998, the Company recognized $1,000,000 in research milestones consisting of $500,000 from Novartis and $500,000 from Schering. Research revenue from the research collaboration agreements is recognized as related costs are incurred. Consequently, as these programs progress and costs increase or decrease, revenues increase or decrease proportionately.

Genetic testing revenues of $1,493,341 were recognized in the quarter ended March 31, 1999, an increase of 164% or $926,652 over the same quarter of the prior year. Genetic testing revenue is comprised of sales of diagnostic tests resulting from the Company's discovery of disease genes. Sales and marketing efforts since that time have given rise to the increased revenues in the quarter ended March 31, 1999. There can be no assurance, however that genetic testing revenues will continue to increase at the historical rate.

Research and development expenses for the quarter ended March 31, 1999 increased to $6,141,258 from $5,457,187 for the same quarter of 1998. This increase was primarily due to an increase in research activities as a result of progress in the Company's collaborations with Novartis, Bayer, Schering, and Monsanto as well as those programs funded by the Company. The increased level of research spending includes ongoing development of the Company's ProNet and mutation screening technologies and third-party sponsored research programs. Such expenses may increase to the extent that the Company enters into additional research agreements with third parties.

Selling, general and administrative expenses for the quarter ended March 31, 1999 decreased $608,897 from the same quarter of 1998. During the quarter ended March 31, 1998, the Company was pursuing a plan to dramatically increase its sales force. Start-up expenses for the sales staff included training, relocation, and sales supplies. For the quarter ended March 31, 1999, the company maintained a steady, well-trained sales force which resulted in fewer selling expenses. The Company expects its selling, general and administrative expenses will continue to fluctuate as needed to support its genetic testing business and its research and development efforts.

Interest income for the quarter ended March 31, 1999 decreased to $557,304 from $789,229 for the same quarter of 1998. Cash, cash equivalents, and marketable investment securities were $43,142,451 at March 31, 1999 as compared to $56,011,501 at March 31, 1998. This decrease in cash and investments, attributable to expenditures incurred in the ordinary course of business, has resulted in reduced interest income. Interest expense for the quarter ended March 31, 1998, amounting to $7,045, was due entirely to borrowings under the Company's equipment financing facility. The equipment financing facility was concluded in December 1998. As a result, no interest expense was incurred in the quarter ended March 31, 1999.

Results of Operations for the Nine Months Ended March 31, 1999 and 1998

Research revenues for the nine months ended March 31, 1999 were $14,751,802 as compared to $15,201,336 for the same quarter of 1998. Greater research revenue recognized during the nine month period ended March 31, 1998 versus the current period is the result of $3,950,000 in research milestones and contract expansion payments received by the Company in 1998. Excluding the milestone and contract expansion payment, the Company's ongoing research revenue increased $3,500,466 for the nine months ended March 31, 1999 versus the same period of 1998. This increase is primarily the result of the expanded scope of the Bayer agreement and the Monsanto agreement which was signed in November 1998. Research revenue from the research collaboration agreements is recognized as related costs are incurred. Consequently, as these programs progress and costs increase or decrease, revenues increase or decrease proportionately.

Genetic testing revenues of $3,617,770 were recognized in the nine months ended March 31, 1999, an increase of $2,116,619 over the same nine month period of 1998. Genetic testing revenue is comprised of sales of diagnostic tests resulting from the Company's discovery of disease genes. Sales and marketing efforts since that time have given rise to the increased revenues in the nine months ended March 31, 1999. There can be no assurance, however that genetic testing revenues will continue to increase at the historical rate.

Research and development expenses for the nine months ended March 31, 1999 increased to $17,640,553 from $16,663,344 for the prior year. This increase was primarily due to an increase in research activities as a result of the Company's collaborations with Novartis, Bayer, Schering, and Monsanto, as well as those programs funded by the Company. The increased level of research spending includes ongoing development of the Company's ProNet and mutation screening technologies and third-party sponsored research programs.

Selling, general and administrative expenses for the nine months ended March 31, 1999 decreased $299,836 from the nine month period in the prior year. During the nine month period ended March 31, 1998, the Company was pursuing a plan to dramatically increase its sales force. Start-up expenses for the sales staff included training, relocation, and sales supplies. For the nine month period ended March 31, 1999, the company maintained a steady, well-trained sales force which resulted in fewer selling expenses. The Company expects its selling, general and administrative expenses will continue to fluctuate as needed to support its genetic testing business and its research and development efforts.

Interest income for the first nine months of fiscal year 1999 decreased to $1,832,994 from $2,490,588 for the same period of fiscal year 1998. Cash, cash equivalents, and marketable investment securities were $43,142,451 at March 31, 1999 as compared to $56,011,501 at March 31, 1998. This decrease in cash, cash equivalents and marketable investment securities was attributable to expenditures incurred in the ordinary course of business, has resulted in reduced interest income. Interest expense for the nine months ended March 31, 1999, amounting to $6,279, was due entirely to borrowings under the Company's equipment financing facility.

Liquidity and Capital Resources

Net cash used in operating activities was $10,312,694 during the nine months ended March 31, 1999 and $5,113,061 during the same period of the prior fiscal year. Cash used in operating activities is comprised of changes in the following financial statement accounts: depreciation and amortization, loss on sale of assets, bad debt expense, trade receivables, non-trade receivables, prepaid expenses, other assets, accounts payable and accrued expenses, and deferred revenue. Trade receivables for the nine months ended March 31, 1999 increased $744,703. This increase is primarily attributable to the 164% increase in genetic testing revenue for the nine month period ended March 31, 1999 as compared to testing revenue for the nine month period ended March 31, 1998. Prepaid expenses increased $528,823, from $266,679 to $795,502, during the nine month period ended March 31, 1999. The increase is primarily due to advance payments to purchase lab supplies at a discount, advanced royalties, and insurance premiums. Accounts payable and accrued expenses decreased by $1,584,926 between June 30, 1998 and March 31, 1999 primarily as a result of payments for lab supplies and equipment which were accrued into the prior fiscal year. Deferred revenue, representing the difference in collaborative payments received and research revenue recognized, decreased from $2,722,115 to $396,636 during the nine months ended March 31, 1999.

The Company's investing activities provided cash of $3,835,761 in the nine months ended March 31, 1999 and $2,667,285 in the nine months ended March 31, 1998. Investing activities were comprised primarily of capital expenditures for research equipment, office furniture, and facility improvements and marketable investment securities. During the nine months ended March 31, 1999, the Company shifted a portion of its investment in marketable securities to cash and cash equivalents from longer term investments in order to take advantage of more favorable interest rates. Also, during the nine month period ended March 31, 1999, the Company entered into a Master Lease Agreement with General Electric Capital Corporation ("G.E. Capital"). Under this agreement, the Company sold equipment with a value, net of depreciation, of $3,551,784 ("net book value") to G.E. Capital. The Company received proceeds from G.E. Capital equal to the net book value of the equipment.

Financing activities provided $216,657 during the nine month period ended March 31, 1999. The Company reduced

the amount of principal owing on its equipment financing facility by $128,843. Payments on the financing facility were offset by proceeds of $345,500 from the exercise of options and warrants during the period. Financing activities provided $146,789 during the nine months ended March 31, 1998. During the quarter ended March 31, 1998, proceeds received by the Company of $400,486 from the exercise of options and warrants were offset by payments by the Company of $253,697 to reduce principal owing on its equipment financing facility.

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

Impact of the Year 2000 Issue

The Year 2000 Issue

The Year 2000 Issue is the result of computer programs using a two-digit format, as opposed to four digits, to indicate the year. Any of the Company's computer programs or other information systems that have time-sensitive software or embedded microcontrollers may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations.

State of Readiness and Costs to Address the Year 2000 Issue

During fiscal 1998, the Company completed an initial review ("Phase I") of its information and non-information technology systems. This review included its existing and planned computer software and hardware. The Company has made an initial determination, based on its Phase I review, that the costs and/or consequences associated with the Year 2000 issue are not expected to have a material effect on its business, operations or future financial condition.

A second, more in-depth analysis ("Phase II") is currently ongoing. Internally, Phase II will include the testing of internally developed systems. The internal portion of Phase II, although well underway, is not expected to be completed until the end of its 1999 fiscal year. The Company presently believes that with modifications to existing software and conversions to new software and systems, the Year 2000 Issue will not pose significant operational problems for its computer and other information systems. If required, the Company will utilize both internal and external resources to reprogram, or replace, and test the software and systems for Year 2000 modifications. Externally, Phase II of the Company's preparations for the Year 2000 Issue will consist of soliciting and obtaining certification of Year 2000 compliance from third-party software vendors and determining the readiness of its significant suppliers and customers.

Risks of the Year 2000 Issue

If such modifications, conversions and/or replacements are not made, are not completed timely, or if any of the Company's suppliers or customers do not successfully deal with the Year 2000 Issue, the Year 2000 Issue could have a material impact on the operations of the Company. The Company could experience delays in receiving or sending its genetic testing products that would increase its costs and that could cause the Company to lose business and even customers and could subject the Company to claims for damages. Problems with the Year 2000 Issue could also result in delays in the Company invoicing its genetics testing customers or in the Company receiving payments from them. In addition, the Company's research and development efforts which rely heavily on the storage and retrieval of electronic information could be interrupted resulting in significant delays in discovering genes, the loss of current collaborations, and the impairment of the Company's ability to enter into new collaborations. The

severity of these possible problems would depend on the nature of the problem and how quickly it could be corrected or an alternative implemented, which is unknown at this time. In the extreme, such problems could bring the Company to a standstill.

While management has not yet specifically determined the costs associated with its Year 2000 readiness efforts, monitoring and managing the Year 2000 Issue will result in additional direct and indirect costs to the Company. Direct costs include potential charges by third-party software vendors for product enhancements, costs involved in testing software products for Year 2000 compliance and any resulting costs for developing and implementing contingency plans for critical software products which are not enhanced. Indirect costs will principally consist of the time devoted by existing employees in monitoring software vendor progress, testing enhanced software products and implementing any necessary contingency plans. Such costs have not been material to date. Both direct and indirect costs of addressing the Year 2000 Issue will be charged to earnings as incurred.

Contingency Plan

After evaluating its internal compliance efforts as well as the compliance of third parties as described above, the Company will develop during calendar year 1999 appropriate contingency plans to address situations in which various systems of the Company, or of third parties with which the Company does business, are not Year 2000 compliant. Some risks of the Year 2000 Issue, however, are beyond the control of the Company and its suppliers and customers. For example, no preparations or contingency plan will protect the Company from a downturn in economic activity caused by the possible ripple effect throughout the entire economy caused by the Year 2000 Issue.

Certain Factors That May Affect Future Results of Operations

The Company believes that this report on Form 10-Q contains certain forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. The Company cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: the timely implementation by the Company of its plan to prepare its computer systems for the Year 2000, the costs to the Company of such preparation, and the timely conversion by other parties on which the Company's business relies; intense competition related to the discovery of disease-related genes and the possibility that others may discover, and the Company may not be able to gain rights with respect to, genes important to the establishment of a successful genetic testing business, difficulties inherent in developing genetic tests once genes have been discovered; the Company's limited experience in operating a genetic testing laboratory; the Company's limited marketing and sales experience and the risk that tests which the Company has or may develop may not be able to be marketed at acceptable prices or receive commercial acceptance in the markets that the Company is targeting or expects to target; uncertainty as to whether there will exist adequate reimbursement for the Company's services from government, private healthcare insurers and third-party payors; uncertainties as to the extent of future government regulation of the Company's business; uncertainties as to whether the Company and its collaborators will be successful in developing and obtaining regulatory approval for, and commercial acceptance of, therapeutics based on its discovery of disease-related genes and proteins; uncertainties as to the Company's ability to develop therapeutic lead compounds, which is a new business area for the Company; and the risk that markets will not exist for therapeutic lead compounds that the Company develops or if such markets exist, that the Company will not be able to sell compounds which it develops at acceptable prices. As a result, the Company's future development efforts involve a high degree of risk. For further information, refer to the more specific risks and uncertainties disclosed throughout this Quarterly Report on Form 10-Q.

PART II - Other Information

Item 1. Legal Proceedings.

The Company is not a party to any material legal proceedings.

Item 2. Changes in Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

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

None.

Item 5. Other Information.

None.

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

(a) Exhibits

The following is a list of exhibits filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Description
27.1	Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended March 31, 1999.

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 14, 1999

By: /s/ Peter D. Meldrum

Peter D. Meldrum
President and Chief Executive Officer

Date: May 14, 1999

/s/ Jay M. Moyes

Jay M. Moyes
Vice President of Finance
(principal financial and accounting officer)

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND CONDENSED CONSOLIDATED BALANCE SHEETS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1
USD

	9-MOS
	JUN-30-1999
	JUL-01-1998
	MAR-31-1999
	1
	8,334,758
	34,807,693
	1,347,045
	30,302
	0
	13,453,278
	16,469,374
	6,386,653
	56,223,240
	5,871,711
	0
	0
	0
	94,119
	50,257,410
	56,223,240
	3,617,770
	18,369,572
	2,233,012
	27,889,211
	0
	0
	6,279
	(7,730,736)
	0
	(7,730,736)
	0
	0
	0
	(7,730,736)
	(.82)
	(.82)