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, 1998

[_] 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 8, 1998, the registrant had 9,324,562 shares of common stock outstanding.

MYRIAD GENETICS, INC.

INDEX TO FORM 10-Q

MYRIAD GENETICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	Mar. 31, 1998 (Unaudited)	June 30, 1997
Assets		
Current assets:		
Cash and cash equivalents	$ 13,376,776	$ 15,675,763
Marketable investment securities	16,681,724	31,952,315
Prepaid expenses	353,133	446,260
Trade receivables	388,236	183,166
Non-trade receivables	647,806	294,967
Total current assets	31,447,675	48,552,471
Equipment and leasehold improvements:		
Equipment	15,003,617	13,124,937
Leasehold improvements	2,277,798	2,075,308
	17,281,415	15,200,245
Less accumulated depreciation and amortization	5,189,181	3,189,724
Net equipment and leasehold improvements	12,092,234	12,010,521
Long-term marketable investment securities	25,953,001	15,449,360
Other assets	50,979	50,979
	$ 69,543,889	$ 76,063,331
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,219,036	$ 2,559,035
Accrued liabilities	1,351,280	1,154,254
Deferred revenue	4,495,381	5,699,427
Current portion of notes payable	217,943	342,796
Total current liabilities	9,283,640	9,755,512
Notes payable less current portion	-	128,844
Stockholders' equity		
Common stock, $0.01 par value, 15,000,000 shares authorized; issued and outstanding 9,324,562 shares March 31 1998, 9,222,552 shares June 30, 1997	93,246	92,226
Additional paid-in capital	92,005,204	91,605,739
Fair value adjustment on available-for-sale marketable investment securities	(3,086)	5,382
Deferred compensation	(979,079)	(1,376,980)
Accumulated deficit	(30,856,036)	(24,147,392)
Net stockholders' equity	60,260,249	66,178,975
	$ 69,543,889	$ 76,063,331

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, 1998 (Unaudited)	Mar. 31, 1997 (Unaudited)	Mar. 31, 1998 (Unaudited)	Mar. 31, 1997 (Unaudited)
Revenues:				
Research revenue	$ 5,122,404	$ 2,584,007	$ 15,201,336	$ 7,497,528
Genetic testing revenue	566,689	157,678	1,501,151	191,738
Total revenues	5,689,093	2,741,685	16,702,487	7,689,266
Expenses:				
Research and development expense	5,457,187	4,215,871	16,663,344	13,355,768
Selling, general and administrative expense	3,308,826	2,393,108	8,315,482	6,150,175
Genetic testing cost of revenue	351,154	108,696	892,739	132,979
Total expenses	9,117,167	6,717,675	25,871,565	19,638,922
Operating loss	(3,428,074)	(3,975,990)	(9,169,078)	(11,949,656)
Other income (expense):				
Interest income	789,229	787,695	2,490,588	2,522,972
Interest expense	(7,045)	(15,690)	(27,942)	(53,081)
Gain/(loss) on sale of fixed assets	(2,333)	(21,559)	(2,213)	(29,551)
	779,851	750,446	2,460,433	2,440,340
Net loss	($2,648,223)	($3,225,544)	($6,708,645)	($9,509,316)
Net loss per share (Note 2)	($0.28)	($0.36)	($0.72)	($1.08)
Weighted average shares outstanding	9,312,542	8,991,088	9,276,604	8,814,534

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	Mar. 31, 1998 (Unaudited)	Mar. 31, 1997 (Unaudited)	Mar. 31, 1998 (Unaudited)	Mar. 31, 1997 (Unaudited)
Cash flows from operating activities:				
Net loss	($2,648,223)	($3,225,544)	($6,708,645)	($9,509,316)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	831,231	670,310	2,405,172	1,779,490
Increase in trade receivables	(76,073)	-	(205,070)	-
Loss on sale of equipment	2,333	21,559	2,212	29,551
Increase in non-trade receivables	(438,635)	(243,514)	(352,838)	(288,344)
Decrease (increase) in prepaid expenses	(80,191)	(154,018)	93,127	(401,063)
Increase (decrease) in accounts payable and accrued expenses	229,409	(771,720)	857,027	(459,713)
Decrease in deferred revenue	(580,319)	(55,237)	(1,204,046)	(16,878)
Net cash used in operating activities	(2,760,468)	(3,758,164)	(5,113,061)	(8,866,273)
Cash flows from investing activities:				
Capital expenditures	(650,739)	(1,395,244)	(2,092,604)	(3,956,108)
Proceeds from sale of equipment	505	14,750	1,406	22,250
Net change in marketable investment securities	(163,357)	6,268,436	4,758,483	16,080,153
Net cash provided by (used in) investing activities	(813,591)	4,887,942	2,667,285	12,146,295
Cash flows from financing activities:				
Net payments of notes payable	(86,793)	(78,148)	(253,697)	(228,433)
Net proceeds from issuance of common stock	28,871	407,062	400,486	431,149
Net cash provided by (used in) financing activities	(57,922)	328,914	146,789	202,716
Net increase (decrease) in cash and cash equivalents	(3,631,981)	1,458,692	(2,298,987)	3,482,738
Cash and cash equivalents at beginning of period	17,008,757	15,259,726	15,675,763	13,235,680
Cash and cash equivalents at end of period	$ 13,376,776	$16,718,418	$13,376,776	$ 16,718,418

See accompanying notes to condensed consolidated financial statements.

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

(1) Basis of Presentation

The accompanying condensed 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, 1997, included in the Company's Annual Report on Form 10-K for the year ended June 30, 1997. Operating results for the three and nine month periods ended March 31, 1998 may not necessarily be indicative of the results to be expected for any other interim period or for the full year.

(2) Earnings per Share

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, Earnings per Share ("SFAS 128"). SFAS 128 became effective for the consolidated financial statements for interim and annual periods ending after December 15, 1997. Accordingly, the Company has adopted SFAS 128 for all quarters ended after December 31, 1997.

SFAS 128 establishes a different method of computing earnings (loss) per share than was required under the provisions of Accounting Principles Board Opinion No. 15. Under SFAS 128, entities with publicly held common stock are required to present both basic earnings (loss) per share and diluted earnings (loss) per share. Given the Company's current loss position, basic and diluted loss per share are equal and consistent with net loss per share presented in prior quarters.

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, 1998, the Company had a net loss of $2,648,223 and as of March 31, 1998 had an accumulated deficit of $30,856,036.

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. In March 1998, the Company and Novartis discovered the CHD1 gene, a novel gene that may play an important role in cardiovascular disease. The gene discovery represents a significant milestone in the Novartis-Myriad research collaboration and triggered a $500,000 milestone payment from Novartis to the Company. The Company is entitled to receive royalties from sales of therapeutic products sold by Novartis. The Company recognized $2,295,861 in revenue under this agreement for the quarter ended March 31, 1998.

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, the Company announced an expansion of its collaborative research and development arrangement with Bayer. The expanded collaboration provides the Company with additional research funding and potential milestone payments of up to $54,000,000 or a total potential of up to $125,000,000. The Company is entitled to receive royalties from sales of therapeutic products sold by Bayer. The Company recognized $1,576,543 in revenue under this agreement for the quarter ended March 31, 1998.

In October 1996, the Company announced the introduction of BRACAnalysis(TM), a comprehensive BRCA1 and BRCA2 gene sequence analysis for susceptibility to breast and ovarian cancer. The Company, through its wholly owned subsidiary Myriad Genetic Laboratories, Inc., began accepting testing samples on a commercial basis on October 30, 1996. Genetic testing revenues of $566,689 were recognized for the quarter ended March 31, 1998.

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. The Company recognized $1,250,000 in revenue under this agreement for the quarter ended March 31, 1998.

In October 1997, the Company announced that Schering has licensed the therapeutic rights to the MMAC1 gene. The MMAC1 gene has been associated with advanced cancers of the brain, prostate, breast, kidney, and skin. During the quarter ended March 31, 1998, the Company demonstrated the tumor-suppressor activity of the MMAC1 gene, which triggered an additional $500,000 milestone from Schering to the Company. To-date, the Company has recognized milestones totalling $2,500,000 from Schering associated with the MMAC1 gene. The Company may receive additional drug development milestone payments and royalties on therapeutic products based on the MMAC1 gene and its pathway. Myriad has retained the rights to the molecular diagnostic potential of the MMAC1 gene.

In January 1998, the Company announced the introduction of a new genetic test, CardiaRisk(TM), to be performed by its wholly owned subsidiary, Myriad Genetic Laboratories, Inc. CardiaRisk(TM), which identifies a mutation in the AGT gene, will assist physicians both in (i) identifying which hypertensive patients are at a significantly increased risk of developing cardiovascular disease and (ii) identifying which patients are likely to respond to low salt diet therapy and antihypertensive drug therapy.

Additionally, in January 1998 the Company announced the successful use of its ProNet(TM) protein interaction technology in discovering three new genes. The MMSC1 gene appears to interact directly with the MMAC1 brain and prostate cancer gene. The CtIP gene was linked to the pathway of the BRCA1 breast and ovarian cancer gene, and the MKK3 gene acts as a tumor suppressor in lung cancer. These genes are believed by the Company to provide new avenues for developing cancer therapies.

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, 1998 AND 1997

Research revenues for the quarter ended March 31, 1998 increased $2,538,397 from the same quarter of 1997. The increase was attributable primarily to the achievement of certain research milestones and the Company's new and expanded corporate research collaboration agreements. 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. During the same period, the Company recognized $750,000 in research funding from Schering under an agreement initiated in April 1997. Research revenue from the research collaboration agreements is recognized as related costs are incurred. Consequently, as these programs progress and costs increase, revenues increase proportionately.

Genetic testing revenues of $566,689 were recognized in the quarter ended March 31, 1998, an increase of $409,111 over the same quarter of 1997. Genetic testing revenue is comprised of sales of diagnostic tests resulting from the Company's discovery of the BRCA1 and BRCA2 breast and ovarian cancer genes. The tests for genetic predisposition to breast and ovarian cancer were launched by the Company in October 1996 with the first commercial test received in November 1996. Sales and marketing efforts since that time have given rise to the increased revenues in the quarter ended March 31, 1998.

Research and development expenses for the quarter ended March 31, 1998 increased to $5,457,187 from $4,215,871 for the same quarter of 1997. This increase was primarily due to an increase in research activities as a result of progress in the Company's collaborations with Novartis, Bayer and Schering as well as those programs funded by the Company. The increased level of research spending includes third party research programs, increased depreciation charges related to purchasing of additional research equipment, the hiring of additional research personnel and the associated increase in use of laboratory supplies and reagents. The Company also incurred expenses related to milestones achieved by its academic collaborators. Such expenses will likely 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, 1998 increased $915,718 from the same quarter of 1997. The increase was primarily attributable to costs associated with the ongoing promotion of BRACAnalysis(TM), including the expansion of the Company's internal sales staff from 8 to 23 employees. The increase is also a result of additional administrative, marketing and education personnel, market research activities, educational material development, and facilities-related costs. The Company expects its selling, general and administrative expenses will continue to increase in support of its genetic predisposition testing business and its research and development efforts.

Interest income for the quarter ended March 31, 1998 increased to $789,229 from $787,695 or 0.2% for the same quarter of 1997. The Company has been able to maintain its cash reserves at a relatively constant level as a result of its ongoing collaborative research agreements, entering new collaborative agreements, achieving research milestones, and sales of its genetic tests. As a result, interest income has not changed significantly from the prior year. 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.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED MARCH 31, 1998 AND 1997

Research revenues increased to $15,201,336 in the first nine months of fiscal year 1998 from $7,497,528 in the first nine months of fiscal year 1997. The increase was attributable primarily to the achievement of certain research milestones and the Company's new and expanded corporate research collaboration agreements. During the nine months ended March 31, 1998, the Company recognized $3,000,000 in research milestones consisting of $500,000 from Novartis and $2,500,000 from Schering. During the same period, the Company recognized $2,250,000 in research funding from Schering under an agreement initiated in April 1997, and $950,000 in research funding from the November 1997 Bayer project expansion.

Genetic testing revenues of $1,501,151 were recognized in the nine months ended March 31, 1998, an increase of $1,309,413 over the same nine month period of 1997. Genetic testing revenue is comprised of sales of diagnostic tests resulting from the Company's discovery of the BRCA1 and BRCA2 breast and ovarian cancer genes. The tests for genetic predisposition to breast and ovarian cancer were launched by the Company in October 1996 with the first commercial test received in November 1996. Sales and marketing efforts since that time have given rise to the increased revenues in the nine months ended March 31, 1998.

Research and development expenses for the nine months ended March 31, 1998 increased to $16,663,344 from $13,355,768 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, and Schering, as well as those programs funded by the Company. The increased level of research spending includes third party research programs, increased depreciation charges related to purchasing additional research equipment, the hiring of additional research personnel and the associated increase in use of laboratory supplies and reagents. The Company also incurred expenses related to milestone payments achieved by an academic collaborator during the nine months ended March 31, 1998.

Selling, general and administrative expenses for the nine months ended March 31, 1998 increased by $2,165,307 from the nine month period in the prior year. The increase was primarily attributable to costs associated with the ongoing promotion of BRACAnalysis(TM) as well as additional administrative, sales, marketing and education personnel, market research activities, educational material development, and facilities-related costs. The Company expects its selling, general and administrative expenses will continue to increase in support of its genetic predisposition testing business and its research and development efforts.

Interest income for the first nine months of fiscal year 1998 decreased to $2,490,588 from $2,522,972 for the first nine months of fiscal year 1997. This decrease was primarily due to less funds being available for investment which funds were spent in the ordinary course of business. The Company has been able to maintain its cash reserves at a relatively constant level as a result of its ongoing collaborative research agreements, entering new collaborative agreements, achieving research milestones, and sales of its genetic tests. As a result, interest income has not changed significantly from the prior year. Interest expense for the nine months ended March 31, 1998, amounting to $27,942, was due entirely to borrowings under the Company's equipment financing facility. The loss on sale of fixed assets of $2,213 in the nine months ended March 31, 1998 and $29,551 in the nine months ended March 31, 1997 is the result of the sale of out-dated equipment.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $2,760,468 during the quarter ended March 31, 1998 as compared to net cash used in operating activities of $3,758,164 during the same quarter of the prior year. Trade receivables were established during fiscal year 1998 as a result of the Company allowing terms for payment for its BRACAnalysis(TM) breast and ovarian cancer predisposition tests. In the prior fiscal year, a majority of tests were prepaid by the customer. Non-trade receivables increased $438,635 between December 31, 1997 and March 31, 1998, primarily as a result of milestone payments due from the Company's collaborative partners. Prepaid expenses increased $80,191 during the quarter ended March 31, 1998. The increase is primarily the result of royalties paid by the Company in

advance in order to secure a more favorable royalty rate. Accounts payable and accrued expenses increased between December 31, 1997 and March 31, 1998 as a result of increased accruals for unbilled work provided by the Company's research collaborators. Deferred revenue, representing the difference in collaborative payments received and research revenue recognized, decreased $580,319 during the quarter ended March 31, 1998.

The Company's investing activities used cash of $813,591 in the three months ended March 31, 1998 and provided cash of $4,887,942 in the three months ended March 31, 1997. Investing activities were comprised primarily of capital expenditures for research equipment, office furniture, and facility improvements and marketable investment securities. During the quarter ended March 31, 1998, the Company shifted a portion of its investment in marketable securities from cash and cash equivalents to longer term investments in order to take advantage of more favorable interest rates.

Financing activities used $57,922 during the quarter ended March 31, 1998. The Company reduced the amount of principal owing on its equipment financing facility by $86,793. Payments on the financing facility were offset by proceeds of $28,871 from the exercise of options and warrants during the period. Financing activities provided $328,914 during the quarter ended March 31, 1997. During the quarter ended March 31, 1997, proceeds received by the Company of $407,062 from the exercise of options and warrants were offset by payments by the Company of $78,148 to reduce principal owing on its equipment financing facility.

The Company anticipates that its existing capital resources, including the net proceeds of its October 1995 initial public offering and interest earned thereon, 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 Company has completed a review of its existing and planned computer software and hardware and has determined that the costs and/or consequences associated with the Year 2000 issue are not expected to have a material effect on the Company's business, operations or future financial condition.

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: 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 health care insurers and third-party payors; and uncertainties as to the extent of future government regulation of the Company's business. 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.

On November 17, 1997, OncorMed, Inc. ("OncorMed") filed an action in the United States District Court of the District of Columbia alleging infringement by the Company of patent number 5,654,155 entitled "Consensus Sequence of the Human BRCA1 Gene" issued to OncorMed by the U.S. Patent and Trademark Office ("USPTO"). The action is seeking a permanent injunction and unspecified damages. On December 8, 1997, the Company filed an answer and counterclaim.

On December 2, 1997, the Company filed an action against OncorMed in the United States District Court for the District of Utah alleging infringement of patent number 5,693,473 entitled "Linked Breast and Ovarian Cancer Susceptibility Gene" issued to the Company on December 2, 1997 by the USPTO. The action is seeking a preliminary and permanent injunction and unspecified damages. On December 29, 1997, OncorMed filed an answer and counterclaim.

On January 20, 1998, the Company filed an action against OncorMed in the United States District Court for the District of Utah alleging infringement of patent number 5,709,999 entitled "Linked Breast and Ovarian Cancer Susceptibility Gene" issued to the Company on January 20, 1998 by the USPTO. The action is seeking a preliminary and permanent injunction and unspecified damages. On February 10, 1998, OncorMed filed an answer and counterclaim.

On January 20, 1998, OncorMed filed an action against the Company in the United States District Court for the District of Columbia alleging incorrect inventorship of patent numbers 5,093,473 and 5,709,999. The action is seeking to correct inventorship and seeks unspecified damages. The Company moved to dismiss the action on February 9, 1998.

The Company believes that it has valid defenses to the OncorMed actions listed above, and all cases are, and will continue to be vigorously defended. Management is unable to make a meaningful estimate of the amount or range of loss that could result from an unfavorable outcome of any of these cases. Management believes, however, that the ultimate outcome of all of these cases should not have a material effect on the Company's financial position.

ITEM 2. CHANGES IN SECURITIES.

(c) Sales of Unregistered Securities

During the three months ended March 31, 1998, the Company issued a total of 3,371 shares of Common Stock to consultants of the Company pursuant to the exercise of stock options at a weighted average exercise price of $3.50 per share. During the same period, the Company issued a total of 19,934 shares of Common Stock to various holders of warrants issued to Spencer Trask Securities Incorporated, the placement agent for the Company's 1993 private placement of Series A Convertible Preferred Stock, at a weighted average exercise price of $7.00 per share.

No person acted as an underwriter with respect to the transactions set forth above. In each of the foregoing instances, the Company relied on Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act") or Rule 701 promulgated under the Securities Act for the exemption from the registration requirements of the Securities Act, since no public offerings were involved.

(d) Use of Proceeds

The Company filed its initial Form SR with the Securities and Exchange Commission on January 15, 1996 reporting for the period from October 5, 1995 (the effective date of the Company's registration statement for its initial public offering) through January 5, 1996. The Company filed through July 1997 amendments to its Form SR covering each subsequent six month period on a timely basis. Since November 1997, the Company has included information concerning use of proceeds in its Forms 10-Q, the most recent of which was filed February 13, 1998 for

the quarter ended December 31, 1997 ("December 31, 1997 Form 10-Q"). The following schedule reflects as of March 31, 1998 an estimate of the amount of net offering proceeds received by the Company from its initial public offering used for each of the purposes listed below (and reflects only the changes to the information provided by the Company in its December 31, 1997 Form 10-Q).

	Direct or indirect payments to anyone other than directors, officers, persons owning ten percent or more of any class of equity securities of the Company, and affiliates of the Company (of which there were no such payments).
Construction of plant, building and facilities	$ 1,429,926
Purchase and installation of machinery and equipment	$11,663,072
Cash and investments	$ 2,127,339
Genetic discovery research expenses	$ 8,610,089
Diagnostic test development and operation expenses	$15,580,994
General and administrative expenses	$ 9,751,772

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
11.1	Statement Regarding Computation of Net Loss Per Share
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, 1998.

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 12, 1998

By: /s/ Peter D. Meldrum

Peter D. Meldrum
President and Chief Executive Officer

Date: May 12, 1998

/s/ Jay M. Moyes

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

MYRIAD GENETICS, INC.

EXHIBIT INDEX

Exhibit Number	Description
11.1	Statement Regarding Computation of Net Loss Per Share
27.1	Financial Data Schedule

Exhibit 11.1

Myriad Genetics, Inc.
Statement Regarding Computation of Net Loss Per Share

	Three Months Ended		Nine Months Ended	
	March 31, 1998	March 31, 1997	March 31, 1998	March 31, 1997
Net loss	($2,648,223)	($3,225,544)	($6,708,645)	($9,509,316)
Weighted average common shares outstanding	9,312,542	8,991,088	9,276,604	8,814,534
Shares used in computation	9,312,542	8,991,088	9,276,604	8,814,534
Net loss per share	($0.28)	($0.36)	($0.72)	($1.08)

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

9-MOS
JUN-30-1998
JUL-01-1997
MAR-31-1998
13,376,776
42,634,725
1,036,042
0
0
31,447,675
17,281,415
5,189,181
69,543,889
9,283,640
0
0
0
93,246
60,167,003
69,543,889
1,501,151
16,702,487
892,739
25,871,565
0
0
27,942
(6,708,645)
0
(6,708,645)
0
0
0
(6,708,645)
(.72)
(.72)