
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 8, 2013

OraSure Technologies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-16537
(Commission
File Number)

36-4370966
(I.R.S. Employer
Identification No.)

220 East First Street
Bethlehem, Pennsylvania
(Address of Principal Executive Offices)

18015-1360
(Zip Code)

Registrant's telephone number, including area code: 610-882-1820

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 – Results of Operations and Financial Condition.

On May 8, 2013, OraSure Technologies, Inc. (the “Company”) issued a press release announcing its consolidated financial results for the quarter ended March 31, 2013, and providing financial guidance for the second quarter of 2013. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

The information in this Item and attached Exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall such information and Exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such a filing. The fact that the information and Exhibit are being furnished should not be deemed an admission as to the materiality of any information contained therein. The Company undertakes no duty or obligation to publicly update or revise the information contained in this Current Report or attached Exhibit.

Item 7.01 – Regulation FD Disclosure.

On May 8, 2013, the Company held a webcast conference call with analysts and investors, during which Douglas A. Michels, the Company’s President and Chief Executive Officer, and Ronald H. Spair, the Company’s Chief Financial Officer and Chief Operating Officer, discussed the Company’s consolidated financial results for the quarter ended March 31, 2013, provided financial guidance for the second quarter of 2013 and described certain business developments. A copy of the prepared remarks of Messrs. Michels and Spair is attached as Exhibit 99.2 to this Form 8-K and is incorporated herein by reference.

The information in this Item and attached Exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall such information and Exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such a filing. The fact that the information and Exhibit are being furnished should not be deemed an admission as to the materiality of any information contained therein. The Company undertakes no duty or obligation to publicly update or revise the information contained in this Current Report or attached Exhibit.

Item 9.01 – Financial Statements and Exhibits.**(d) Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated May 8, 2013, announcing consolidated financial results of OraSure Technologies, Inc. for the quarter ended March 31, 2013, and providing financial guidance for the second quarter of 2013.
99.2	Prepared Remarks of Douglas A. Michels and Ronald H. Spair for OraSure Technologies, Inc. First Quarter 2013 Analyst/ Investor Conference Call Held May 8, 2013.

Signatures

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

ORASURE TECHNOLOGIES, INC.

Date: May 8, 2013

By: /s/ Jack E. Jerrett

Jack E. Jerrett

Senior Vice President, General Counsel and Secretary

Index to Exhibits

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OraSure Technologies, Inc.

Company Contact:

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Chief Financial Officer
610-882-1820
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www.orasure.com

OraSure Announces 2013 First Quarter Financial Results

BETHLEHEM, PA – May 8, 2013 – (Globe Newswire) – OraSure Technologies, Inc. (NASDAQ: OSUR), a market leader in oral fluid diagnostics, today announced its consolidated financial results for the first quarter of 2013.

Quarterly Highlights

- Consolidated net revenues were \$21.2 million for the first quarter of 2013, a 1% increase from the comparable quarter of 2012. Net product revenues increased 6% primarily due to sales of the Company's OraQuick® In-Home HIV test and higher sales from the Company's molecular collection systems subsidiary, DNA Genotek ("DNAG").
- Included in the 2013 first quarter net revenues were \$1.5 million in gross sales of the OraQuick® In-Home HIV test, which were reduced by customer allowances for cooperative advertising, cash discounts and other allowances, resulting in net revenues of \$1.4 million recorded for the period. Most revenue for this product is currently recognized upon the consummation of a sale to a retail customer either in a store or over the internet.
- Net revenues generated by DNAG during the first quarter of 2013 were \$3.9 million, a 19% increase from the comparable period in 2012. This increase was primarily the result of higher sales to commercial customers.
- Consolidated net loss for the first quarter of 2013 was \$10.2 million, or \$0.18 per share, which compares to a net loss of \$3.3 million, or \$0.07 per share,

for the first quarter of 2012. The net loss for the first quarter of 2013 included \$6.9 million in advertising and promotional expenses for the Company's newly-launched OraQuick® In-Home HIV test.

"We are pleased to see the first quarter performance by our molecular collection systems business and the increasing sales of our OraQuick® In-Home HIV test," said Douglas A. Michels, President and Chief Executive Officer of OraSure Technologies, Inc. "We continue to refine our advertising and promotion strategies as we learn more about how consumers are responding to the availability of our In-Home HIV test."

Financial Results

Consolidated net product revenues for the quarter increased 6%, primarily as a result of the higher sales of the Company's molecular collection systems, infectious disease testing, and substance abuse testing products. These increases were partially offset by lower sales of the Company's cryosurgical systems and insurance risk assessment products.

Consolidated licensing and product development revenues for the first quarter of 2013 decreased to \$202,000 from \$1.2 million in the first quarter of 2012. This decrease was primarily attributed to the absence of a \$1.0 million milestone payment received in the first quarter of 2012 under the Company's HCV collaboration agreement with Merck. No similar payment was received in the first quarter of 2013.

Consolidated gross margin for the three months ended March 31, 2013 was 57% compared to 66% for the three months ended March 31, 2012. The current quarter gross margin was negatively impacted by a change in product mix, the absence in the current quarter of the \$1.0 milestone payment received in the first quarter of 2012, higher royalties paid on sales of the Company's OraQuick® products, and an increase in scrap, spoilage, and unabsorbed overhead costs as a result of production issues that were identified and corrected in the current quarter.

Consolidated operating expenses increased to \$22.6 million for the first quarter of 2013, from \$17.4 million in the comparable period of 2012. This increase was primarily the result of higher promotional and advertising expense associated with the Company's OraQuick® In-Home HIV test. The current quarter expenses included \$6.9 million of promotional and advertising costs related to this product compared to \$1.0 million spent on launch preparation costs in the first quarter of 2012.

For the three months ended March 31, 2013 and 2012, the Company recorded an income tax benefit of \$410,000 and \$521,000, respectively, associated with the loss before income taxes and certain Canadian research and development and investment tax credits at DNAG.

Cash totaled \$79.3 million at March 31, 2013 compared to \$87.9 million at December 31, 2012. Working capital was \$94.9 million at March 31, 2013 compared to \$103.5 million at December 31, 2012. For the three months ended March 31, 2013, the Company used \$7.7 million to fund operations, including the advertising and promotional activities related to the OraQuick® In-Home HIV test.

Second Quarter 2013 Outlook

The Company expects consolidated net revenues to range from \$23.5 to \$24.0 million and is projecting a consolidated net loss of approximately \$0.15 – \$0.16 per share for the second quarter of 2013.

Financial Data**Condensed Consolidated Financial Data
(In thousands, except per-share data)****Unaudited**

	Three months ended	
	March 31,	
	2013	2012
Results of Operations		
Net revenues	\$ 21,164	\$20,944
Cost of products sold	9,135	7,212
Gross profit	<u>12,029</u>	<u>13,732</u>
Operating expenses:		
Research and development	3,357	3,444
Sales and marketing	13,874	7,874
General and administrative	5,387	6,066
Total operating expenses	<u>22,618</u>	<u>17,384</u>
Operating loss	(10,589)	(3,652)
Other expense	(47)	(121)
Loss before income taxes	(10,636)	(3,773)
Income tax benefit	(410)	(521)
Net loss	<u>\$(10,226)</u>	<u>\$ (3,252)</u>
Loss per share:		
Basic and Diluted	<u>\$ (0.18)</u>	<u>\$ (0.07)</u>
Weighted average shares:		
Basic and Diluted	<u>55,449</u>	<u>47,807</u>

Summary of Revenues by Market and Product (Unaudited)

Market	Three Months Ended March 31,				
	Dollars			Percentage of Total Net Revenues	
	2013	2012	% Change	2013	2012
Infectious disease testing	\$10,687	\$ 9,776	9%	49%	47%
Substance abuse testing	2,249	2,087	8	11	10
Cryosurgical systems	3,085	3,478	(11)	15	16
Molecular collection systems	3,932	3,298	19	19	16
Insurance risk assessment	1,009	1,099	(8)	5	5
Net product revenues	20,962	19,738	6	99	94
Licensing and product development	202	1,206	(83)	1	6
Net revenues	<u>\$21,164</u>	<u>\$20,944</u>	1%	<u>100%</u>	<u>100%</u>

OraQuick® Revenues	Three Months Ended March 31,		
	2013	2012	% Change
Domestic HIV	\$ 7,672	\$8,148	(6)%
International HIV	554	660	(16)
Domestic HIV OTC	1,442	—	N/A
Domestic HCV	428	536	(20)
International HCV	240	282	(15)
Net OraQuick® revenues	<u>\$10,336</u>	<u>\$9,626</u>	7%

Intercept® Revenues	Three Months Ended March 31,		
	2013	2012	% Change
Domestic	\$1,274	\$1,523	(16)%
International	388	46	743
Net Intercept® revenues	<u>\$1,662</u>	<u>\$1,569</u>	6%

<u>Cryosurgical Systems Revenues</u>	<u>Three Months Ended</u> <u>March 31,</u>		
	<u>2013</u>	<u>2012</u>	<u>%</u> <u>Change</u>
Professional domestic	\$ 891	\$ 1,371	(35)%
Professional international	348	287	21
Over-the-Counter	<u>1,846</u>	<u>1,820</u>	1
Net cryosurgical systems revenues	<u>\$3,085</u>	<u>\$3,478</u>	(11)%

Condensed Consolidated Balance Sheets (Unaudited)

	<u>March 31, 2013</u>	<u>December 31, 2012</u>
<u>Assets</u>		
Cash	\$ 79,276	\$ 87,888
Accounts receivable, net	16,955	17,545
Inventories	13,056	12,758
Other current assets	3,599	2,212
Property and equipment, net	18,297	18,546
Intangible assets, net	25,749	27,207
Goodwill	24,823	25,445
Other non-current assets	281	124
Total assets	<u>\$ 182,036</u>	<u>\$ 191,725</u>
<u>Liabilities and Stockholders' Equity</u>		
Accounts payable	\$ 5,622	\$ 3,380
Deferred revenue	5,611	5,580
Accrued expenses	6,756	7,960
Other non-current liabilities	249	89
Deferred income taxes	3,881	4,401
Stockholders' equity	<u>159,917</u>	<u>170,315</u>
Total liabilities and stockholders' equity	<u>\$ 182,036</u>	<u>\$ 191,725</u>

Additional Financial Data (Unaudited)	Three months ended	
	March 31,	
	2013	2012
Capital expenditures	\$ 480	\$ 306
Depreciation and amortization	\$1,602	\$ 1,809
Stock based compensation	\$1,394	\$ 1,192
Cash used in operating activities	\$7,674	\$ 1,356

Conference Call

The Company will host a conference call and audio webcast to discuss the Company's 2013 first quarter financial results, business developments and financial guidance for the second quarter of 2013, beginning today at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time). On the call will be Douglas A. Michels, President and Chief Executive Officer, Ronald H. Spair, Chief Financial Officer and Chief Operating Officer, and Kathleen Weber, Senior Vice President and General Manager, Consumer Products. The call will include prepared remarks by management and a question and answer session.

In order to listen to the conference call, please either dial 877-348-9357 (Domestic) or 970-315-0488 (International) and reference Conference ID #42321505 or go to OraSure Technologies' web site, www.orasure.com, and click on the Investor Relations page. Please click on the webcast link and follow the prompts for registration and access 10 minutes prior to the call. A replay of the call will be archived on OraSure Technologies' web site shortly after the call has ended and will be available for seven days. A replay of the call can also be accessed until May 15, 2013, by dialing 855-859-2056 (Domestic) or 404-537-3406 (International) and entering the Conference ID #42321505.

About OraSure Technologies

OraSure Technologies is a leader in the development, manufacture and distribution of oral fluid diagnostic and collection devices and other technologies designed to detect or diagnose critical medical conditions. Its innovative products include rapid tests for the detection of antibodies to HIV and HCV at the point of care and testing solutions for detecting various drugs of abuse. In July 2012, the Company received approval from the U.S. Food and Drug Administration for the Company's OraQuick® In-Home HIV Test for sale directly to consumers in the over-the-counter (OTC) market – making it the first and only rapid OTC HIV test approved in the U.S. In addition, the Company is a leading provider of oral fluid sample collection, stabilization and preparation products for molecular diagnostic applications. OraSure's portfolio of products is sold globally to various clinical laboratories, hospitals, clinics, community-based organizations and other public health organizations, research and academic institutions, distributors, government agencies, physicians' offices, and commercial and industrial entities. The Company's products enable healthcare providers to deliver critical information to patients, empowering them to make decisions to improve and protect their health. For more information on OraSure Technologies, please visit www.orasure.com.

Important Information

This press release contains certain forward-looking statements, including with respect to expected revenues and earnings/loss per share. Forward-looking statements are not guarantees of future performance or results. Known and unknown factors that could cause actual performance or results to be materially different from those expressed or implied in these statements include, but are not limited to: ability to market and sell products, whether through an internal, direct sales force or third parties; ability to manufacture products in accordance with applicable specifications, performance standards and quality requirements; ability to obtain, and timing and cost of obtaining, necessary regulatory approvals for new products or new indications or applications for existing products; ability to comply with applicable regulatory requirements; changes in relationships, including disputes or disagreements, with strategic partners or other parties and reliance on strategic partners for the performance of critical activities under collaborative arrangements; failure of distributors or other customers to meet purchase forecasts or minimum purchase requirements for the Company's products; impact of replacing distributors; inventory levels at distributors and other customers; ability to integrate and realize the full benefits of the Company's acquisition of DNA Genotek; ability of DNA Genotek to achieve its financial and strategic objectives; ability to identify, complete, integrate and realize the full benefits of future acquisitions; impact of competitors, competing products and technology changes; impact of the economic downturn, high unemployment and poor credit conditions; reduction or deferral of public funding available to customers; competition from new or better technology or lower cost products; ability to develop, commercialize and market new products, including the OraQuick® In-Home HIV test; market acceptance of oral fluid testing or other products; changes in market acceptance of products based on product performance, extended shelf life or other factors; ability to fund research and development and other products and operations; ability to obtain and maintain new or existing product distribution channels; reliance on sole supply sources for critical products and components; availability of related products produced by third parties or products required for use of our products; history of losses and ability to achieve sustained profitability; ability to utilize net operating loss carry forwards or other deferred tax assets; volatility of our stock price; uncertainty relating to patent protection and potential patent infringement claims; uncertainty and costs of litigation relating to patents and other intellectual property; availability of licenses to patents or other technology; ability to enter into international manufacturing agreements; obstacles to international marketing and manufacturing of products; ability to sell products internationally, including the impact of changes in international funding sources and testing algorithms; adverse movements in foreign currency exchange rates; loss or impairment of sources of capital; ability to retain qualified personnel; exposure to product liability and other types of litigation; changes in international, federal or state laws and regulations; customer consolidations and inventory practices; equipment failures and ability to obtain needed raw materials and components; the impact of terrorist attacks and civil unrest; and general political, business and economic conditions. These and

other factors are discussed more fully in the Company's Securities and Exchange Commission filings, including its registration statements, Annual Report on Form 10-K for the year ended December 31, 2012, Quarterly Reports on Form 10-Q, and other filings with the SEC. Although forward-looking statements help to provide information about future prospects, readers should keep in mind that forward-looking statements may not be reliable. The forward-looking statements are made as of the date of this press release and OraSure Technologies undertakes no duty to update these statements.

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OraSure Technologies, Inc.**2013 First Quarter****Analyst/Investor Conference Call****May 8, 2013****Prepared Remarks of Douglas A. Michels and Ronald H. Spair**

Please see “Important Information” at the conclusion of the following prepared remarks.

Introduction – Doug Michels

Thanks Judy. Good afternoon everyone and welcome to our call.

I am pleased to report 2013 is off to a good start. I'll touch on some highlights from the quarter and then Ron will take you through the numbers.

- Our infectious disease business was up as the OraQuick® In-Home HIV test generated additional revenues. We are encouraged by the growth in HIV-OTC sales and continue to discover new ways to increase consumer awareness and use of this exciting new testing option.
- We are seeing strong year-over-year growth from our molecular collection systems business, DNA Genotek.
- We were also pleased with a better-than-expected performance of our cryosurgical business, which was helped by international OTC sales.

We are encouraged by our Q1 results and look to build on this momentum. The commercial launch of our OraQuick® In-Home HIV test is in full swing and it is gratifying to know that we have helped more than 100,000 individuals learn their HIV status since launch. Our corporate goal is simple – help as many people as possible answer questions about their health status, especially as it relates to serious illnesses such as HIV and HCV. We are fortunate to work in a field where we can combine what is good both for business and for public health.

So, with that as a brief introduction, let me now turn the call over to Ron Spair for a review of our Q1 financial results.

First Quarter 2013 Financial Results – Ron Spair

Thanks Doug, and good afternoon everyone.

Revenues – Ron Spair

Our first quarter 2013 consolidated net revenues were \$21.2 million, compared to \$20.9 million reported in 2012. Our consolidated net product revenues increased 6% as a result of higher sales of our molecular collection systems, infectious disease testing and substance abuse testing products. These increases were partially offset by lower sales of our cryosurgical systems and insurance risk assessment products.

Our infectious disease testing revenues were \$10.7 million in the first quarter of 2013, compared to \$9.8 million in the first quarter of 2012. The overall 9% increase was primarily a result of \$1.4 million in net sales of our OraQuick® In-Home HIV test, which we began selling in the fourth quarter of 2012.

During the first quarter, gross sales of our OraQuick® In-Home HIV test were \$1.5 million which were offset by \$109,000 in customer allowances, including cooperative advertising, cash discounts and other allowances. Gross sales of this product increased sequentially from the \$902,000 recorded in the fourth quarter of 2012. Although sales of the In-Home test increased, we believe the rate of sales growth during Q1 was negatively impacted by certain retail execution issues which Doug will discuss later in the call.

The increase in net revenues of our OraQuick® In-Home HIV test was partially offset by a decline in sales of our OraQuick® HCV and HIV professional

products. First quarter domestic HIV professional revenues were down \$476,000, or 6%. Roughly one-half of this reduction is due to a one-time purchase in the hospital market during the year ago period with the remainder primarily caused by the timing of public health customer purchases. First quarter HCV revenues decreased 18% largely as a result of the variability in the ordering patterns of our customers.

Our molecular collection systems revenues, primarily representing sales of the Oragene® product line, increased to \$3.9 million in the first quarter of 2013 compared to \$3.3 million in 2012. Revenues for the current year quarter included a first time order placed by a new pain management customer as well as new orders received from an existing customer who did not purchase product in the same period of 2012. Sales to this existing customer are expected to continue through 2013. These increases were partially offset by a decline in sales in the academic research market due to continued constrained research funding primarily in North America.

In substance abuse testing, revenues increased to \$2.2 million in the first quarter of 2013 from \$2.1 million in the first quarter of 2012, primarily as a result of higher Intercept® sales. The increase in Intercept® sales was the result of higher purchases by our UK laboratory distributor.

First quarter 2013 cryosurgical revenues decreased 11% to \$3.1 million from \$3.5 million in the first quarter of 2012, primarily as a result of lower professional sales in the domestic marketplace. This reduction largely resulted from higher distributor purchases made in the fourth quarter of 2012 in anticipation of price increases implemented in early January 2013. Despite the lower revenues, our cryosurgery business performed better than expected primarily because of higher international OTC sales.

Licensing and product development revenues were \$202,000 in the first quarter of 2013 compared to \$1.2 million in the first quarter of 2012. During the first quarter of 2012, we received a \$1.0 million milestone payment under our HCV collaboration agreement with Merck. No similar payment was received in the current quarter.

Gross Margin – Ron Spair

Turning to Gross Margin, our overall margin for Q1 of 2013 was 57% compared to 66% reported for the first quarter of 2012. The lower 2013 margin was a result of a number of items which negatively impacted our OraSure segment including: a change in product mix; the absence in the current quarter of the \$1.0 million milestone payment received in the first quarter of 2012; higher royalties paid on sales of our OraQuick® products; and an increase in scrap, spoilage, and unabsorbed overhead costs as a result of production issues that were identified and corrected in the current quarter. We expect our consolidated margin to remain in the high 50% range throughout the remainder of this year.

Operating Expenses – Ron Spair

Our consolidated operating expenses for the first quarter of 2013 increased \$5.2 million, or 30%, compared to the first quarter of 2012. This increase is largely due to higher spending associated with advertising and promotional activities for our OraQuick® In-Home HIV test. Advertising and promotional costs for this product were \$6.9 million in the first quarter of 2013, compared to \$1.0 million spent on launch preparation costs in the first quarter of 2012. Research and development expense for the first quarter remained flat at \$3.4 million and general and administrative expense declined to \$5.4 from \$6.1 million in the first quarter of 2012 due to lower legal and consulting expenses.

Net Loss – Ron Spair

From a bottom line perspective, we reported a net loss of \$10.2 million, or \$0.18 per share, for the first quarter of 2013, compared to a net loss of \$3.3 million, or \$0.07 per share, for the same period of 2012.

Cash Flow from Operations and Liquidity – Ron Spair

Turning briefly to our balance sheet and cash flow, our cash balance at March 31, 2013 was \$79.3 million compared to \$87.9 million at December 31, 2012. Cash used in operating activities in the first quarter of 2013 was \$7.7 million which included the advertising and promotion spend on the OraQuick® In-Home test. This compares to \$1.4 million used in the first quarter of 2012.

Second Quarter 2013 Consolidated Financial Guidance – Ron Spair

Moving to guidance for the second quarter of 2013, we are projecting consolidated net revenues of approximately \$23.5 to \$24.0 million and a consolidated net loss per share of approximately \$0.15 to \$0.16 for the quarter. Included in our Q2 guidance is approximately a penny per share in severance costs related to certain operational efficiency improvements in Q2 which are expected to save up to \$2.8 million on an annualized basis.

With that, I will now turn the call back over to Doug.

Business Update – Doug Michels

Thanks, Ron.

HIV-OTC – Doug Michels

A top priority continues to be the commercialization of our OraQuick® In-Home HIV test. During the first few months of this year, we have seen continued sales growth. Average weekly sales have increased from approximately 3,000 units in January to almost 5,000 units by late April.

We believe this continued growth is positive and shows that consumers are responding to our awareness building and consumer activation efforts. Our experience to date also indicates that it takes time to drive broad awareness about a new product and motivate consumers to purchase the product. Essentially, we are asking consumers to do something they have never done before – test themselves for HIV in the privacy of their own homes.

Our sales growth has largely been driven by three things – continued national advertising, continued national PR and the recent addition of regional and local marketing activities targeting communities at highest risk for HIV. Specifically, we continued our print, digital and television advertising throughout the first quarter, shifting from our 45 second launch TV spot to more efficient 30 and 15 second spots. This allowed us to generate a greater number of impressions against our target audiences.

We have also continued our national public relations efforts around key dates such as National Black HIV/AIDS Awareness Day in February and Women and Girls HIV/AIDS Awareness Day in March. We are continuing our relationship with Magic Johnson, who has assisted us in generating over 200 million media impressions for our brand since the start of the launch.

In late March, we moved into a new phase of our marketing activities, layering in regional and local radio, outdoor advertising, and event marketing, reaching consumers in bars, nightclubs and community events. The local radio activity featured prominent celebrity DJ's such as Tom Joyner and Elvis Duran. The goal of these activities was to provide more information about HIV and the impact it is having on various communities. We are also reinforcing the idea that it has never been easier to learn your HIV status with the OraQuick® In Home HIV test. The intent of these activities is to stimulate conversation about HIV and create buzz and support around the need for testing. Bundled together, we call this our “Make Knowing Your Thing Today” campaign.

We are carefully measuring and tracking the impact of all of our marketing activities to optimize our plans for the back half of 2013. We have recently deployed our first post-launch awareness and tracking survey, which will tell us where our messages are taking root and where more work is needed. We are also analyzing store level point of sale data to understand, by geography, and in some cases down to the zip code level, where our sales are strongest. In addition, we are monitoring the social media space to understand the conversation about our product. We look at click through rates and .com conversion. All of this learning is helping us focus our efforts and drive greater efficiency in our marketing spend.

One area that we are monitoring quite closely is the retail environment. During the first quarter, we completed several retail audits to help assess our sales execution. These audits involve a sampling of individual retail stores around the country to check on product availability and placement. As is typical with any OTC launch, we found areas in need of improvement. For example, we discovered that some retail stores in higher volume areas were not carrying enough shelf inventory to meet demand, resulting in out-of-stocks. In addition, given the high retail value of our product, some retailers, concerned about potential theft, elected to place the test either in a locked cabinet or behind the pharmacy counter for security purposes.

We have made the results of our audits available to our key retail partners and are working with them to ensure adequate product supply is on shelf. In addition, because confidentiality is important to consumers, we are encouraging retailers not to place product behind the counter or otherwise make a consumer request assistance from store personnel in order to complete a purchase.

The retail community has been and remains highly supportive of the launch, and has been responsive to the new learnings we have shared. As we continue to

optimize our marketing and selling activities, the product has steadily increased in standing within the retailer product categories, and now holds top ten positions among branded products in the sets of our leading retailers.

Given our performance and learning, we are now actively seeking expanded distribution in both the e-commerce and brick and mortar space. In the weeks to come, we expect you will see the product become available on Walgreen's.com, Rite Aid.com and Drugstore.com.

While sales performance and the other items I have mentioned are important to consider in measuring how we are doing, they do not reflect the full impact of our product. As you know, our primary contact with end users is through our consumer support center. Since launching the product, we have received over 10,000 calls to our support center. Calls have been received from all 50 states and the District of Columbia, and the support center continues to exceed the performance goals we established prior to the commercial launch.

Significantly, data from the support center indicate that we have received calls from nearly 100 individuals who said they had obtained a positive result after using our OraQuick® In-Home HIV test. In all cases, those individuals were either directly referred into care by our support center representatives or told us they would seek out a healthcare professional directly for follow up. While this does not represent a comprehensive view as to all results obtained by consumers, we believe it is an important, early example of the potential public health impact that our test can provide. In fact, our market research indicates that as few as 5% of individuals testing positive may contact the support center. Assuming this survey is at least directionally accurate, the potential number of positive results identified with our test is likely much higher, suggesting the product is delivering the intended positive benefit in the fight against HIV and AIDS.

OraQuick® HCV – Doug Michels

Turning briefly to our OraQuick® HCV test:

As Ron indicated, HCV sales were down for the quarter compared to 2012. However, this decline does not tell the whole story as we in fact experienced growth in both the number of new customers purchasing our test and the average size of purchase orders received during the quarter. The lower Q1 revenues were largely due to the timing of orders by a few large customers, each of whom we expect to reorder later this year. While sales of our OraQuick® HCV test continue to be impacted by economic and funding challenges, we remain confident and optimistic about the long-term prospects for this product and its potential public health benefits.

As you may know, May is Hepatitis Awareness Month and the second annual National Hepatitis Testing Day is coming up on May 19th. In recognition of this month and date, we are collaborating with numerous national and local, public and private organizations across the country to raise awareness of Hepatitis C as a public health issue and to educate the public about the importance of HCV testing. In particular, OraSure's OraQuick® HCV Rapid test will be deployed at public testing events in Washington D.C., Los Angeles, New York, Chicago, Pittsburgh, and over 35 other locations.

DNA Genotek – Doug Michels

A final area I want to address is our molecular collections systems business. DNA Genotek had a strong first quarter, with sales increasing almost 20% compared to the year-ago period. The primary growth driver was higher sales to commercial customers. The increase in commercial business was a blend of new customers ordering for the first time and existing customers growing their businesses. Highlights include one new significant customer engaged in pharmacogenomic testing related to drug metabolization and a significant new order by one of DNA Genotek's existing commercial customers.

As further perspective, approximately 45% of DNA Genotek's revenues during the first quarter came from commercial customers, while the remaining approximately 55% came from academic and research institutions. This represents a bit of a change in product sales mix as DNA Genotek's revenues have historically been derived mostly from the academic research market.

This is not to say that academic research customers will not remain an important customer base. Despite ongoing funding challenges, and in particular uncertainty related to the ultimate impact of Federal sequestration, DNA Genotek continues to bring in new customers and increase its business with existing customers in this market. DNA Genotek is also expanding its international network of distributors.

DNA Genotek is off to a great start, and we expect to see this performance continue throughout the remainder of 2013.

Conclusion

So, in summary, we are off to a solid start in 2013. We are excited to see increasing sales of our OraQuick® In-Home HIV test, and we continue to gain insight and experience on how best to market this product. We expect the application of that knowledge to be reflected in our future results.

And with that, I will now open the floor to your questions. Operator please proceed.

* * * *

[Q&A session]

Final Conclusion – Doug Michels

Thank you for participating on today's call and for your continued interest in OraSure. Have a good afternoon and evening.

Important Information

This document contains certain forward-looking statements, including with respect to expected revenues and earnings/loss per share. Forward-looking statements are not guarantees of future performance or results. Known and unknown factors that could cause actual performance or results to be materially different from those expressed or implied in these statements include, but are not limited to: ability to market and sell products, whether through an internal, direct sales force or third parties; ability to manufacture products in accordance with applicable specifications, performance standards and quality requirements; ability to obtain, and timing and cost of obtaining, necessary regulatory approvals for new products or new indications or applications for existing products; ability to comply with applicable regulatory requirements; changes in relationships, including disputes or disagreements, with strategic partners or other parties and reliance on strategic partners for the performance of critical activities under collaborative arrangements; failure of distributors or other customers to meet purchase forecasts or minimum purchase requirements for the Company's products; impact of replacing distributors; inventory levels at distributors and other customers; ability to integrate and realize the full benefits of the Company's acquisition of DNA Genotek; ability of DNA Genotek to achieve its financial and strategic objectives; ability to identify, complete, integrate and realize the full benefits of future acquisitions; impact of competitors, competing products and technology changes; impact of the economic downturn, high unemployment and poor credit conditions; reduction or deferral of public funding available to customers; competition from new or better technology or lower cost products; ability to develop, commercialize and market new products, including the OraQuick® In-Home HIV test; market

acceptance of oral fluid testing or other products; changes in market acceptance of products based on product performance, extended shelf life or other factors; ability to fund research and development and other products and operations; ability to obtain and maintain new or existing product distribution channels; reliance on sole supply sources for critical products and components; availability of related products produced by third parties or products required for use of our products; history of losses and ability to achieve sustained profitability; ability to utilize net operating loss carry forwards or other deferred tax assets; volatility of our stock price; uncertainty relating to patent protection and potential patent infringement claims; uncertainty and costs of litigation relating to patents and other intellectual property; availability of licenses to patents or other technology; ability to enter into international manufacturing agreements; obstacles to international marketing and manufacturing of products; ability to sell products internationally, including the impact of changes in international funding sources and testing algorithms; adverse movements in foreign currency exchange rates; loss or impairment of sources of capital; ability to retain qualified personnel; exposure to product liability and other types of litigation; changes in international, federal or state laws and regulations; customer consolidations and inventory practices; equipment failures and ability to obtain needed raw materials and components; the impact of terrorist attacks and civil unrest; and general political, business and economic conditions. These and other factors are discussed more fully in the Company's Securities and Exchange Commission filings, including its registration statements, Annual Report on Form 10-K for the year ended December 31, 2012, Quarterly Reports on Form 10-Q, and other filings with the SEC. Although forward-looking statements help to provide information about future prospects, readers should keep in mind that forward-looking statements may not be reliable. The forward-looking statements are made as of the date of this press release and OraSure Technologies undertakes no duty to update these statements.