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 June 30, 2002.

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _______ to _______.

Commission File Number 1-10492

ORASURE TECHNOLOGIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	36-4370966
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

150 Webster Street, Bethlehem, Pennsylvania	18015
(Address of Principal Executive Offices)	(Zip code)

(610) 882-1820
(Registrant's Telephone Number, Including Area Code)

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 [_]

Number of shares of Common Stock, par value $.000001 per share, outstanding as of July 26, 2002: 37,533,013

PART I. FINANCIAL INFORMATION

PART II. OTHER INFORMATION

Item 1. FINANCIAL STATEMENTS

ORASURE TECHNOLOGIES, INC.
BALANCE SHEETS
(Unaudited)

	June 30, 2002	December 31, 2001
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,437,446	$ 2,426,346
Short-term investments	10,873,890	12,764,903
Accounts receivable, net of allowance for doubtful accounts of $328,386 and $209,492	4,869,849	6,057,927
Note receivable from officer	-	75,000
Inventories	4,989,357	4,444,772
Prepaid expenses and other	878,709	1,038,511
Total current assets	23,049,251	26,807,459
PROPERTY AND EQUIPMENT, net	7,566,375	7,800,137
PATENTS AND PRODUCT RIGHTS, net	2,060,084	2,042,533
OTHER ASSETS	634,967	634,546
	$ 33,310,677	$ 37,284,675
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 1,000,879	$ 1,057,572
Accounts payable	1,528,842	2,874,061
Accrued expenses	3,516,371	3,111,886
Total current liabilities	6,046,092	7,043,519
LONG-TERM DEBT	3,142,995	3,586,458
OTHER LIABILITIES	179,480	114,025
STOCKHOLDERS' EQUITY:		
Preferred stock, par value $.000001, 25,000,000 shares authorized, none issued	-	-
Common stock, par value $.000001, 120,000,000 shares authorized, 37,532,137 and 37,403,269 shares issued and outstanding	38	37
Additional paid-in capital	153,146,605	152,758,591
Accumulated other comprehensive loss	(238,409)	(125,664)
Accumulated deficit	(128,966,124)	(126,092,291)
Total stockholders' equity	23,942,110	26,540,673
	$ 33,310,677	$ 37,284,675

The accompanying notes are an integral part of these statements.

ORASURE TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
REVENUES:				
Product	$ 7,874,076	$ 8,080,266	$ 15,342,697	$ 14,970,993
Licensing and product development	55,956	427,530	312,809	940,827
	7,930,032	8,507,796	15,655,506	15,911,820
COST OF PRODUCTS SOLD	3,200,451	3,013,355	6,094,681	5,706,998
Gross profit	4,729,581	5,494,441	9,560,825	10,204,822
COSTS AND EXPENSES:				
Research and development	2,210,224	2,423,422	4,630,487	4,590,080
Sales and marketing	2,392,325	2,066,253	4,380,506	3,926,615
General and administrative	1,481,580	1,601,626	3,565,881	3,067,137
Restructuring-related	-	-	-	450,000
	6,084,129	6,091,301	12,576,874	12,033,832
Operating loss	(1,354,548)	(596,860)	(3,016,049)	(1,829,010)
INTEREST EXPENSE	(79,096)	(103,159)	(163,345)	(208,724)
INTEREST INCOME	150,749	207,383	303,984	501,012
FOREIGN CURRENCY GAIN	1,759	54,435	1,577	117,730
Loss before income taxes	(1,281,136)	(438,201)	(2,873,833)	(1,418,992)
INCOME TAXES	-	5,976	-	21,944
NET LOSS	$ (1,281,136)	$ (444,177)	$ (2,873,833)	$ (1,440,936)
BASIC AND DILUTED NET LOSS PER SHARE	$ (0.03)	$ (0.01)	$ (0.08)	$ (0.04)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	37,493,741	36,701,511	37,464,073	36,579,738

The accompanying notes are an integral part of these statements.

ORASURE TECHNOLOGIES, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2002	2001
OPERATING ACTIVITIES:		
Net loss	$ (2,873,833)	$ (1,440,936)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation expense	-	70,580
Amortization of deferred revenue	(107,500)	(71,667)
Depreciation and amortization	1,084,451	1,001,046
Loss on disposition of property and equipment	2,053	11,353
Gain on sale of investment in affiliated company	-	(16,853)
Write-off of inventory	482,056	-
Changes in assets and liabilities:		
Accounts receivable	1,188,078	(1,380,339)
Inventories	(1,026,641)	(673,818)
Prepaid expenses and other assets	159,802	151,071
Accounts payable and accrued expenses	(892,779)	(94,573)
Net cash used in operating activities	(1,984,313)	(2,444,136)
INVESTING ACTIVITIES:		
Purchases of short-term investments	(3,710,389)	(17,165,067)
Proceeds from the sale of short-term investments	5,490,428	18,593,150
Purchases of property and equipment	(651,896)	(1,471,445)
Proceeds from the sale of property and equipment	2,393	27,964
Proceeds from sale of investment in affiliated company	-	106,102
Increase in other assets	(21,211)	-
Net cash provided by investing activities	1,109,325	90,704
FINANCING ACTIVITIES:		
Repayments of term debt	(500,156)	(553,387)
Proceeds from issuance of common stock	388,015	1,763,709
Net cash provided by (used in) financing activities	(112,141)	1,210,322
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	(1,771)	(178,622)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(988,900)	(1,321,732)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,426,346	5,095,639
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,437,446	$ 3,773,907

The accompanying notes are an integral part of these statements.

Notes to Financial Statements (Unaudited)

1. The Company

OraSure Technologies, Inc. (the "Company") develops, manufactures and markets oral specimen collection devices using its proprietary oral fluid technologies, proprietary diagnostic products including in vitro diagnostic tests, and other medical devices. These products are sold in the United States and certain foreign countries to clinical laboratories, physician offices, hospitals, commercial and industrial entities, government agencies, and various distributors.

2. Summary of Significant Accounting Policies

Basis of Presentation. The accompanying financial statements are unaudited and, in the opinion of management, include all adjustments (consisting only of normal and recurring adjustments) necessary for a fair presentation of the results for these interim periods. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. Results of operations for the three-month and six-month periods ended June 30, 2002 are not necessarily indicative of the results of operations expected for the full year.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Inventories. Inventories are stated at the lower of cost or market determined on a first-in, first-out basis and are comprised of the following:

	June 30, 2002	December 31, 2001
Raw materials	$ 3,504,196	$ 2,918,825
Work-in-process	764,328	644,397
Finished goods	720,833	881,550
	$ 4,989,357	$ 4,444,772

Revenue Recognition. The Company recognizes product revenues when products are shipped. The Company does not grant price protection or product return rights to its customers, except for warranty returns. Historically, returns arising from warranty issues have been infrequent and immaterial. Accordingly, the Company expenses warranty returns as incurred.

The Company follows U.S. Securities and Exchange Commission Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 draws on existing accounting rules and provides specific guidance on revenue recognition of up-front non-refundable licensing and development fees. In accordance with SAB 101, up-front licensing fees are deferred and recognized ratably over the related license period. Product development revenues are recognized over the period in which the related product development efforts are performed. Amounts received prior to the performance of product development efforts are recorded as deferred revenues and are included in the accrued expenses caption on the accompanying balance sheet. Grant revenue is recognized as the related work is performed and costs are incurred.

In accordance with Emerging Issues Task Force (`EITF") Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs," the Company records shipping and handling charges billed to customers as revenue, and the related expense as cost of products sold.

Significant Customer Concentration. For the three-month and six-month periods ended June 30, 2002, one customer accounted for 26 and 25 percent of total revenues, respectively, as compared to 29 percent for each of the same periods of 2001.

Research and Development. Research and development costs are charged to expense as incurred.

Foreign Currency Translation. Pursuant to Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation," the assets and liabilities of the Company's foreign operations are translated from Euros into U.S. dollars at current exchange rates as of the balance sheet date, and revenues and expenses are translated at average exchange rates for the period. Resulting translation adjustments are reflected as a separate component of stockholders' equity.

Net Loss Per Common Share. The Company has presented basic and diluted net loss per common share pursuant to SFAS No. 128, "Earnings per Share" ("SFAS No. 128"). In accordance with SFAS No. 128, basic and diluted net loss per common share has been computed using the weighted-average number of shares of common stock outstanding during the period. Diluted loss per common share is generally computed assuming the conversion or exercise of all dilutive securities such as common stock options and warrants; however, outstanding common stock options and warrants to purchase 4,572,515 and 4,225,751 shares were excluded from the computation of diluted net loss per common share for both the three-month and six-month periods ended June 30, 2002 and 2001, respectively, because they were anti-dilutive due to the Company's losses.

Other Comprehensive Income (Loss). The Company follows SFAS No. 130, "Reporting Comprehensive Income." This statement requires the classification of items of other comprehensive income (loss) by their nature and disclosure of the accumulated balance of other comprehensive income (loss), separately from retained earnings and additional paid-in capital in the equity section of the balance sheet.

Restructuring-related Expenses. In February 2001, the Company announced plans to restructure certain of its manufacturing operations. As a result of this restructuring, the Company incurred an infrequent charge of $450,000 for restructuring costs, primarily comprised of expenses for employee severance, travel and transport resulting from relocating and consolidating manufacturing operations. All restructuring-related expenses were paid by June 30, 2001.

Recent Accounting Pronouncements. In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations" ("SFAS No. 141"), which requires that all business combinations initiated after June 30, 2001 be accounted for under the purchase method and addresses the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination. Business combinations accounted for under the pooling of interests method prior to June 30, 2001 will not be changed. The adoption of SFAS No. 141 by the Company did not have any impact on the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"). SFAS No. 142 addresses the initial recognition and measurement of intangible assets acquired in a business combination and the accounting for goodwill and other intangible assets subsequent to their acquisition. SFAS No. 142 provides that intangible assets with finite useful lives be amortized, and that goodwill and intangible assets with indefinite lives not be amortized, but rather tested at least annually for impairment. The adoption of SFAS No. 142 did not have any impact on the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"). SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of long-lived assets and the associated asset retirement costs. SFAS No. 143 requires that the fair value of a liability associated with an asset retirement be recognized in the period in which it is incurred, with the associated retirement costs capitalized as part of the carrying amount of the long-lived asset and subsequently depreciated over its useful life. The adoption of SFAS No. 143 did not have any impact on the Company's financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS No. 146"). SFAS No. 146 addresses significant issues regarding the recognition, measurement, and reporting of costs associated with exit and disposal activities, including restructuring activities. SFAS No. 146 also addresses recognition of certain costs related to terminating a contract that is not a capital lease, costs to consolidate facilities or relocate employees, and termination benefits provided to employees that are involuntarily terminated under the terms of a one-time benefit arrangement that is not an ongoing benefit arrangement or an individual deferred-compensation contract. SFAS No. 146 is effective for exit or disposal activities that are initiated after December 31, 2002. Given that SFAS No. 146 was issued in June 2002 and is not yet effective, the impact on the Company's financial position or results of operations from adopting SFAS No. 146 has not been determined.

3. Related Party Transactions

Officer Note and Employment Agreement. In March 2000, the Company issued a note receivable to an executive officer of the Company ("Officer Note") for $75,000, for relocation purposes. The Officer Note did not bear interest if it was repaid on or before the earlier of the tenth day following the close of sale on the officer's previous residence or the due date of the Officer Note, as extended.

On January 31, 2002, the Company terminated an employment agreement with this executive officer and the Company recorded $480,063 in severance-related expenses. These expenses include continued salary and benefit premium payments to this officer, related employment taxes, and the value of certain computer equipment transferred to this individual. As part of his severance agreement, this executive officer agreed to repay the Officer Note in bi-weekly principal installments of approximately $7,000, commencing in April 2002. For financial statement presentation purposes, at June 30, 2002 the remaining balance of accrued severance expenses payable to this former officer has been offset by the $39,892 remaining balance receivable under the terms of this Officer Note.

Facility Lease.

Effective March 1, 2002, the Company signed a 10-year operating lease with Tech III Partners, LLC, an entity owned and controlled by two of the Company's executive officers. Under the terms of this lease, the Company will lease an approximate 48,000 square foot facility currently being constructed on land adjacent to the Company's headquarters, at a base rent of $480,000 per year, increasing to $528,000 per year, during the initial 10-year term. The lease also provides for certain renewal and purchase options.

4. Geographic Area Information

Under the disclosure requirements of SFAS No. 131, "Segment Disclosures and Related Information," the Company operates within one segment: medical devices and products. The Company's products are sold principally in the United States and Europe. Segmentation of operating income and identifiable assets is not applicable since all of the Company's revenues outside the United States are export sales.

The following table represents total revenues by geographic area (amounts in thousands):

	For the three month ended June 30,		For the six months ended June 30,	
	2002	2001	2002	2001
United States	$6,864	$7,333	$13,661	$13,295
Europe	816	822	1,481	1,772
Other regions	250	353	514	845
	$7,930	$8,508	$15,656	$15,912

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Statements below regarding future events or performance are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements about expected revenues, earnings, expenses, cash flow or other financial performance, products, markets, and regulatory filings and approvals. Forward-looking statements are not guarantees of future performance or results. Factors that could cause actual performance or results to be materially different from those expressed or implied in these statements include: ability to market products; impact of competitors, competing products and technology changes; ability to develop, commercialize and market new products; market acceptance of oral fluid testing products and up-converting phosphor technology products; ability to fund research and development and other projects and operations; ability to obtain and timing of obtaining necessary regulatory approvals; ability to develop product distribution channels; uncertainty relating to patent protection and potential patent infringement claims; ability to enter into international manufacturing agreements; obstacles to international marketing and manufacturing of products; loss or impairment of sources of capital; exposure to product liability and other types of litigation; changes in international, federal or state laws and regulations; changes in relationships with strategic partners and reliance on strategic partners for the performance of critical activities under collaborative arrangements; changes in accounting practices and interpretation of accounting requirements; customer inventory practices and consolidations; equipment failures and ability to obtain needed raw materials and components; the impact of terrorist attacks and civil unrest; and general business, political and economic conditions. These and other factors that could cause the forward-looking statements to be materially different are described in greater detail in the Company's filings with the Securities and Exchange Commission, including its registration statements, its Annual Report on Form 10-K for the year ended December 31, 2001, and its Quarterly Reports on Form 10-Q. Although forward-looking statements help to provide information about future prospects, they may not be reliable. The forward-looking statements are made as of the date of this Report and the Company undertakes no duty to update these statements.

Results of Operations

Three months ended June 30, 2002 compared to June 30, 2001

Total revenues decreased 7% to approximately $7.9 million in the second quarter of 2002 from approximately $8.5 million in the comparable quarter in 2001, primarily as a result of lower licensing and product development revenue, lower analytical equipment sales in the substance abuse testing market, and decreased sales of the Histofreezer(R) portable cryosurgical system in the physicians' office therapies market, partially offset by increased sales of OraSure(R) oral fluid collection devices and test kits in the infectious disease testing market. Product revenues for the second quarter of 2002 decreased approximately 3% to $7.9 million compared to $8.1 million for the second quarter of 2001.

The table below shows the amount of the Company's total revenues (in thousands, except %) generated in each of its principal markets and by licensing and product development activities.

	Three Months ended June 30,				
	Dollars		%	Percentage of Total Revenues	
Market Revenues	2002	2001	Change	2002	2001
Insurance risk assessment	$ 3,120	$ 3,255	-4%	39%	39%
Infectious disease testing	1,564	1,277	22%	20%	15%
Substance abuse testing	1,776	1,990	-11%	22%	23%
Physicians' office therapies	1,414	1,559	-9%	18%	18%
Product revenues	7,874	8,081	-3%	99%	95%
Licensing and product development	56	427	-87%	1%	5%
Total revenues	$ 7,930	$ 8,508	-7%	100%	100%

Sales to the insurance risk assessment market declined by 4% to approximately $3.1 million in the second quarter of 2002 as a result of continuing efficiency in processing urine tests at LabOne, Inc., the Company's largest customer. This efficiency is expected to have a continuing effect on the Company, resulting in an annualized revenue reduction of up to $1.0 million during 2002, based on the Company's 2001 urine test sales volumes.

Sales to the infectious disease testing market increased 22% to approximately $1.6 million in the second quarter of 2002, primarily as a result of an approximate 25% increase in the sale of OraSure(R) oral fluid HIV-1 collection devices and test kits. Offsetting this increase were reduced sales of the Company's OraQuick(R) rapid HIV antibody test.

Sales to the infectious disease testing market are expected to increase as a result of the Company's recently announced agreement with Abbott Laboratories ("Abbott") for the distribution of the Company's OraQuick(R) rapid HIV-1 antibody test. Under the terms of the agreement, Abbott was appointed as co-exclusive distributor of the OraQuick(R) HIV-1 device in the United States and is required to meet certain minimum purchase commitments. Pursuant to these commitments, the Company expects to receive product revenues of approximately $4.0 million through the end of 2003. These expected revenues and the timing of their receipt are subject to the Company's receipt of final U.S. Food and Drug Administration ("FDA") approval of the OraQuick(R) test during the third quarter of 2002.

Sales to the substance abuse testing market declined 11% to approximately $1.8 million as a result of a reduction of approximately $400,000 in analytical equipment sales and lower oral fluid collection device sales, partially offset by increased sales of Intercept(R) oral fluid drug assays for workplace testing and sales of the Company's toxicology testing products.

During the second quarter of 2002, the Company devoted significant efforts to assisting its three newest Intercept(R) laboratory distributors, Quest Diagnostics, Clinical Reference Laboratory and NWT, Inc., with the installation of their oral fluid testing equipment and the training of their sales and technical personnel. These distributors are now able to process oral fluid samples and have begun selling the Intercept(R) drug testing system into the workplace testing market. Subject to the continued successful startup of sales efforts by these distributors, the Company expects Intercept(R) revenues to increase in the second half of 2002 and during 2003.

Sales of the Company's Histofreezer(R) portable cryosurgical system in the physicians' office therapies market decreased 9% to approximately $1.4 million in the second quarter of 2002. This decrease was primarily the result of distributors increasing their inventory levels in the first quarter of 2002 as a result of an announced price increase in the U.S. market, which became effective on April 1, 2002. It is expected that the quarterly sales level in the U.S. will return to a more normal pattern beginning in the third quarter of 2002.

Licensing and product development revenue decreased 87% to $56,000 in the second quarter of 2002 from $427,000 in 2001. During the first quarter of 2001, the Company received certain development milestone payments from Meridian BioSciences and Drager Safety and certain funded research and development payments from the National Institutes of Health pursuant to a Phase II Small Business Innovation Research ("SBIR") grant. There were no such payments during the second quarter of 2002.

The Company's gross margin decreased to 60% in the second quarter of 2002 from 65% in 2001. This decrease was primarily attributable to the lower amount of licensing and product development revenues and higher scrap rates in the second quarter of 2002.

Research and development expenses decreased 9% to approximately $2.2 million in the second quarter of 2002 from approximately $2.4 million in 2001, primarily as a result of lower consulting fees.

Sales and marketing expenses increased 16% to approximately $2.4 million in the second quarter of 2002 from approximately $2.1 million in 2001. This increase was primarily the result of higher consulting fees for the development of strategic marketing plans partially offset by lower travel costs.

General and administrative expenses decreased 7% to approximately $1.5 million in the second quarter of 2002 from approximately $1.6 million in 2001. This decrease was primarily attributable to lower investor relations expenses and executive recruiting fees.

Interest expense decreased to approximately $79,000 in the second quarter of 2002 from approximately $103,000 in 2001 as a result of lower outstanding loan balances. Interest income decreased to approximately $151,000 in the first quarter of 2002 from approximately $207,000 in 2001, as a result of lower cash and cash equivalents available for investment and lower interest rates on the Company's investments.

The Company recorded a foreign currency gain of approximately $2,000 in the second quarter of 2002 compared to a foreign currency gain of approximately $54,000 in the second quarter of 2001.

During the second quarter of 2001, a provision for foreign income taxes of approximately $6,000 was recorded.

Results of Operations

Six months ended June 30, 2002 compared to June 30, 2001

Total revenues decreased 2% to approximately $15.7 million for the six months ended June 30, 2002 from approximately $15.9 million in the comparable six month period in 2001, primarily as a result of lower licensing and product development revenue and lower assay sales in the insurance risk assessment market, partially offset by increased sales of OraSure(R) oral fluid collection devices and test kits in the infectious disease testing market and increased sales of the Histofreezer(R) portable cryosurgical product in the physicians' office therapies market. Product revenues for the first six months of 2002 increased approximately 2% to $15.3 million compared to $15.0 million for the first six months of 2001.

The table below shows the amount of the Company's total revenues (in thousands, except %) generated in each of its principal markets and by licensing and product development activities.

	Six months ended June 30,				
	Dollars		%	Percentage of Total Revenues	
Market Revenues	2002	2001	Change	2002	2001
Insurance risk assessment	$ 5,913	$ 6,391	-7%	38%	40%
Infectious disease testing	3,034	2,652	14%	19%	17%
Substance abuse testing	3,003	3,150	-5%	19%	20%
Physicians' office therapies	3,393	2,779	22%	22%	17%
Product revenues	15,343	14,972	2%	98%	94%
Licensing and product development	313	940	-67%	2%	6%
Total revenues	$ 15,656	$ 15,912	-2%	100%	100%

Sales to the insurance risk assessment market declined by 7% to approximately $5.9 million for the six months ended June 30, 2002 from approximately $6.4 million in the comparable period in 2001, as a result of continuing efficiency in processing urine tests at LabOne, Inc., the Company's largest customer.

Sales to the infectious disease testing market increased 14% to approximately $3.0 million for the six months ended June 30, 2002 from approximately $2.7 million in the comparable period in 2001, primarily as a result of an approximate 28% increase in the sale of OraSure(R) oral fluid HIV-1 collection devices and test kits. Offsetting this increase were reduced sales of the Company's OraQuick(R) rapid HIV test, which accounted for approximately $300,000 in revenues for the first six months of 2001.

Sales to the substance abuse testing market declined 5% to approximately $3.0 million for the six months ended June 30, 2002 from approximately $3.2 million in the comparable period in 2001, as a result of a reduction of approximately $400,000 in analytical equipment sales and lower oral fluid collection device sales offset by increases in sales of Intercept(R) oral fluid drug assays for workplace testing and sales of the Company's toxicology testing products.

Sales of the Company's Histofreezer(R) products in the physicians' office therapies market increased 22% to approximately $3.4 million for the six months ended June 30, 2002 from approximately $2.8 million in the comparable period in 2001. This increase was primarily the result of distributors increasing their inventory levels in the first quarter of 2002 as a result of an announced price increase in the U.S. market, which became effective on April 1, 2002.

Licensing and product development revenue decreased 67% to approximately $300,000 for the six months ended June 30, 2002 from approximately $0.9 million in the comparable period in 2001. During the six months ended June 30, 2001, the Company received certain development milestone payments from Meridian BioSciences and Drager Safety and certain funded research and development payments from the National Institutes of Health pursuant to a Phase II SBIR grant. There were no such payments during the six months ended June 30, 2002.

The Company's gross margin decreased to approximately 61% for the six months ended June 30, 2002 from 64% for the comparable period in 2001. The decrease was primarily attributable to the lower amount of licensing and product development revenues and higher scrap rates in the first six months of 2002.

Research and development expenses remained flat at approximately $4.6 million for the six months ended June 30, 2002. Increased costs associated with clinical trials and the Company's efforts to obtain FDA approval of the OraQuick(R) HIV-1 rapid antibody test were offset by decreased expenditures for consulting and travel.

Sales and marketing expenses increased 12% to approximately $4.4 million for the six months ended June 30, 2002 from approximately $3.9 million in the comparable period in 2001. This increase was primarily the result of consulting fees for the development of strategic marketing plans, partially offset by lower travel costs.

General and administrative expenses increased 16% to approximately $3.6 million for the six months ended June 30, 2002 from approximately $3.1 million for the comparable period in 2001. This increase was primarily attributable to an approximate $0.5 million severance charge related to the departure of the Company's former Chief Executive Officer.

Restructuring-related expenses were $450,000 in the six months ended June 30, 2001 as a result of a manufacturing restructuring. There was no such charge in the first six months of 2002.

Interest expense decreased to approximately $163,000 for the six months ended June 30, 2002 from approximately $209,000 for the comparable period in 2001, as a result of lower outstanding loan balances. Interest income decreased to approximately $304,000 for the six months ended June 30, 2002 from approximately $501,000 for the comparable period in 2001, as a result of lower cash and cash equivalents available for investment and lower interest rates on the Company's investments.

The Company recorded a foreign currency gain of approximately $2,000 for the six months ended June 30, 2002 compared to a foreign currency gain of approximately $118,000 for the comparable period in 2001.

During the six months ended June 30, 2001, a provision for foreign income taxes of approximately $22,000 was recorded.

Liquidity and Capital Resources

	June 30, 2002	December 31, 2001
	(In thousands)	
Cash and cash equivalents	$ 1,437	$ 2,426
Short-term investments	10,874	12,765
Working capital	17,003	19,764

The Company's cash, cash equivalents and short-term investments decreased approximately $2.9 million during the first six months of 2002 to approximately $12.3 million at June 30, 2002, primarily as a result of the Company's net loss for the first six months of 2002, a reduction of accounts payable and accrued expenses, the repayment of long-term debt, certain capital expenditures, and an increase in inventory levels. Offsetting these uses of cash were an increase in accounts receivable collections and proceeds from stock option exercises. At June 30, 2002, the Company's working capital was approximately $17.0 million.

The combination of the Company's current cash position and borrowings under the Company's existing and planned credit facilities is expected to be sufficient to fund the Company's foreseeable operating and capital needs. However, the Company's cash requirements may vary materially from those now planned due to many factors, including, but not limited to, the progress of the Company's research and development programs, the scope and results of clinical testing, the magnitude of capital expenditures, changes in existing and potential relationships with business partners, the time and cost in obtaining regulatory approvals, the costs involved in obtaining and enforcing patents, proprietary rights and any necessary licenses, the ability of the Company to establish development and commercialization capacities or relationships, the costs of manufacturing, the success of the Company's sales and marketing efforts, market acceptance of new products and other factors.

Net cash used in operating activities was approximately $2.0 million for the six months ended June 30, 2002, primarily as a result of the net loss for the period, increased inventory levels and the reduction of accounts payable and accrued expenses, offset by increased accounts receivable collections.

Net cash provided by investing activities for the six months ended June 30, 2002 was approximately $1.1 million, primarily as a result of $1.8 million in net proceeds received from the sale of short-term investments offset by the purchase of approximately $0.7 million of capital equipment.

Net cash used in financing activities was approximately $100,000 for the six months ended June 30, 2002 as a result of approximately $0.5 million of term debt repayments offset by approximately $400,000 in proceeds from the exercise of stock options.

At June 30, 2002, the Company had a $1.0 million working capital line of credit in place that accrues interest at LIBOR plus 235 basis points and a $3.0 million equipment line of credit in place that accrues interest at a rate fixed at prime at the time of draw down. There were no borrowings under these lines of credit at June 30, 2002. These lending facilities expire on August 31, 2002 and are expected to be replaced with other credit or bank facilities, although there can be no assurance that the Company will be successful in this effort.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its judgments and estimates, including those related to bad debts, inventories, investments, intangible assets, income taxes, revenue recognition, contingencies, and litigation. Management bases its judgments and estimates on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management considers the following policies to be most critical in understanding the more complex judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition, and cash flows.

Revenue Recognition. The Company follows U.S. Securities and Exchange Commission Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 draws on existing accounting rules and provides specific guidance on revenue recognition of up-front non-refundable licensing and development fees. The Company licenses certain products or technology to outside third parties, in return for which the Company receives up-front licensing fees, some of which can be significant. In accordance with SAB 101, the Company is required to defer immediate recognition of these fees as revenue, and instead ratably recognize this revenue over the related license period.

The Company also enters into research and development contracts with corporate, government or private entities. These contracts generally provide for payments to the Company upon achievement of certain research or development milestones. Product development revenues from these contracts are recognized only if the specified milestone is achieved and accepted by the customer and payment from the customer is probable. Any amounts received prior to the performance of product development efforts are recorded as deferred revenues. Recognition of revenue under these contracts can be sporadic, as it is the result of achieving specific research and development milestones. Furthermore, revenue from future milestone payments will not be recognized if the underlying research and development milestone is not achieved.

The Company recognizes product revenues when products are shipped. The Company does not grant price protection or product return rights to its customers, except for warranty returns. Where a product fails to comply with its limited warranty, the Company can either replace the product or provide the customer with a refund of the purchase price or credit against future purchases. Historically, returns arising from warranty issues have been infrequent and immaterial. Accordingly, the Company expenses warranty returns as incurred. While such returns have been immaterial in the past, management cannot guarantee that the Company will continue to experience the same low rate of warranty claims as it has in the past. Any significant increase in product warranty claims could have a material adverse impact on the Company's operating results for the period in which such claims occur.

Allowance for Uncollectible Accounts Receivable. Accounts receivable are reduced by an estimated allowance for amounts that may become uncollectible in the future. On an ongoing basis, management performs credit evaluations of the Company's customers and adjusts credit limits based upon the customer's payment history and creditworthiness, as determined by a review of their current credit information. The Company continuously monitors collections and payments from its customers. Based upon the Company's historical experience and any specific customer collection issues that are identified, management uses its judgment to establish and evaluate the adequacy of the Company's allowance for estimated credit losses. While such credit losses have been within the Company's expectations and the allowance provided, the Company cannot guarantee that it will continue to experience the same credit loss rates as it has in the past. Furthermore, some of the Company's accounts receivable have resulted from sales to distributors located in foreign countries. Any significant changes in the liquidity or financial position of its customers, or the economies of certain foreign nations, could have a material adverse impact on the collectibility of the Company's accounts receivable and its future operating results.

Inventories. The Company's inventories are valued at the lower of cost or market, determined on a first-in, first-out basis, and include the cost of raw materials, labor and overhead. The majority of the Company's inventories are subject to expiration dating. The Company continually evaluates the carrying value of its inventories and when, in the opinion of management, factors indicate that impairment has occurred, either a reserve is established against the inventories' carrying value or the inventories are completely written off. Management bases these decisions on the level of inventories on hand in relation to the Company's estimated forecast of product demand, production requirements over the next twelve months and the expiration dates of raw materials and finished goods. Although the Company makes every effort to ensure the accuracy of its forecasts of future product demand, any significant unanticipated changes in demand could have a significant impact on the carrying value of the Company's inventories and its reported operating results.

Contingencies. In the ordinary course of business, the Company has entered into various contractual relationships with strategic corporate partners, customers, distributors, research laboratories and universities, licensors, licensees, suppliers, vendors and other parties. As such, the Company could be subject to litigation, claims or assessments arising from any or all of these relationships. The Company accounts for contingencies such as these in accordance with Statement of Financial Accounting Standards ("SFAS") No. 5, "Accounting for Contingencies". SFAS No. 5 requires the Company to record an estimated loss contingency when information available prior to issuance of the Company's financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Accounting for contingencies arising from contractual or legal proceedings requires Company management to use its best judgment when estimating an accrual related to such contingencies. As additional information becomes known, the Company's accrual for a loss contingency could fluctuate, thereby creating variability in the Company's results of operations from period to period. Likewise, an actual loss arising from a loss contingency which significantly exceeds the amount accrued for in the Company's financial statements could have a material adverse impact on the Company's operating results for the period in which such actual loss becomes known.

Income Taxes. The Company has a history of losses, which has generated a sizeable federal tax net operating loss ("NOL") carryforward of approximately $69.1 million as of December 31, 2001. Generally accepted accounting principles require the Company to record a valuation allowance against the deferred tax asset associated with this NOL carryforward if it is more likely than not that the Company will not be able to utilize the NOL carryforward to offset future taxes. Due to the size of the NOL carryforward in relation to the Company's history of unprofitable operations, the Company has not recognized any of this net deferred tax asset.

It is possible that the Company could be profitable in the future at levels which would cause management to conclude that it is more likely than not that the Company will be able to realize all or a portion of the NOL carryforward. Upon reaching such a conclusion, the Company would immediately record the estimated net realizable value of the deferred tax asset at that time and would then begin to provide for income taxes at a rate equal to the Company's combined federal and state effective rates, which management believes would approximate 40%. Subsequent revisions to the estimated net realizable value of the deferred tax asset could cause the Company's provision for income taxes to vary significantly from period to period.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company does not hold any amounts of derivative financial instruments or derivative commodity instruments, and accordingly, has no material derivative risk to report under this Item.

The Company's holdings of financial instruments are comprised of U.S. corporate debt, certificates of deposit, government securities and commercial paper. All such instruments are classified as securities available for sale. The Company's debt security portfolio represents funds held temporarily pending use in its business and operations. The Company seeks reasonable assuredness of the safety of principal and market liquidity by investing in rated fixed income securities while at the same time seeking to achieve a favorable rate of return. Market risk exposure consists principally of exposure to changes in interest rates. If changes in interest rates would affect the investments adversely, the Company could decide to hold the security to maturity or sell the security. The Company's holdings are also exposed to the risk of change in the credit quality of issuers. The Company typically invests in the shorter end of the maturity spectrum.

The Company does not currently have any foreign currency exchange contracts or purchase currency options to hedge local currency cash flows. The Company has operations in The Netherlands that are subject to foreign currency fluctuations. As currency rates change, translation of revenues and expenses for these operations from Euros to U.S. dollars affects year-to-year comparability of operating results. Revenues generated in The Netherlands represented approximately $530,000 and $908,000 or 6.7% and 5.8% of the Company's total revenues for the three months and six months ended June 30, 2002, respectively. Management does not expect the risk of foreign currency fluctuations to be material.

PART II. OTHER INFORMATION

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the 2002 Annual Meeting of Stockholders of the Company (the "Annual Meeting") held on May 20, 2002, the following individuals were elected by the votes indicated as Class II directors of the Company for terms expiring at the 2005 Annual Meeting of Stockholders:

Nominee	Votes For	Votes Withheld
William W. Crouse	34,271,886	980,750
Roger L. Pringle	34,303,127	949,509

Following the Annual Meeting, Michael G. Bolton retired from the Board and his service as a Director of the Company ended at that time. The other directors whose terms of office continued after the Annual Meeting are: Michael J. Gausling, Frank G. Hausmann, Gregory B. Lawless, and Carter H. Eckert. At a meeting of the Board following the Annual Meeting, Richard J. Lane and Douglas G. Watson were elected to fill vacancies on the Board.

At the Annual Meeting, stockholders also approved an amendment to the OraSure Technologies, Inc. 2000 Stock Award Plan (the "Plan"), which increased the number of shares authorized for issuance under the Plan by 1,800,000 shares, from 2,500,000 shares to 4,300,000 shares, plus other shares that become available under the terms of the Plan. Voting results on the amendment were as follows: 32,433,741 shares were voted for the amendment, 2,695,181 shares were voted against this amendment, and 123,714 shares abstained. There were no broker non-votes.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

Exhibits are listed on the attached Exhibit Index following the signature page of this Report.

(b) Reports on Form 8-K.

Current Report on Form 8-K, dated April 30, 2002, reporting the Company's announcement of financial results for the quarter ended March 31, 2002, and certain other matters.

Current Report on Form 8-K, dated May 13, 2002, reporting the Company's announcement of its receipt of notification from the U.S. Food and Drug Administration that the Company's OraQuick(R) Rapid HIV-1 Antibody Test is approvable, subject to the Company meeting certain conditions.

Current Report on Form 8-K, dated May 21, 2002, reporting the Company's announcement of its dismissal of Arthur Andersen LLP as its independent public accountants and the appointment of KPMG LLP as the Company's independent public accountants for the year ending December 31, 2002.

Current Report on Form 8-K, dated June 17, 2002, reporting the Company's announcement of its agreements with Abbott Laboratories for the co-exclusive distribution of the Company's OraQuick(R) rapid test for the detection of antibodies of the Human Immunodeficiency Virus Type I, and for a non-exclusive sublicense of certain lateral-flow patents for which Abbott Laboratories is the exclusive licensor.

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.

ORASURE TECHNOLOGIES, INC.

/s/ Ronald H. Spair

Date: July 31, 2002

Ronald H. Spair
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ Mark L. Kuna

Date: July 31, 2002

Mark L. Kuna
Controller
(Principal Accounting Officer)

EXHIBIT INDEX

Exhibit	
10.1	OraSure Technologies, Inc. 2000 Stock Award Plan, amended effective as of May 20, 2002.
10.2	Description of OraSure Technologies, Inc. 2002 Employee Cash Bonus Plan
99.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 10.1

ORASURE TECHNOLOGIES, INC.

2000 STOCK AWARD PLAN

ARTICLE 1
ESTABLISHMENT AND PURPOSE
(Amended Effective as of May 20, 2002)

Establishment. Epitope, Inc. established this Plan as the Epitope, Inc. 2000 Stock Award Plan, effective as of February 15, 2000, subject to shareholder approval as provided in Article 17. Effective September 29, 2000, in connection with the merger of Epitope, Inc. with and into OraSure Technologies, Inc., the name of the Plan was changed to the OraSure Technologies, Inc. 2000 Stock Award Plan and the Plan was adopted as a stock option plan of OraSure Technologies, Inc.

1.1 Purpose. The purpose of the Plan is to promote and advance the interests of Corporation and its shareholders by enabling Corporation to attract, retain, and reward employees, outside advisors, and directors of Corporation and its subsidiaries. It is also intended to strengthen the mutuality of interests between such employees, advisors, and directors and Corporation's shareholders. The Plan is designed to meet this intent by offering stock options and other equity-based incentive awards, thereby providing a proprietary interest in pursuing the long-term growth, profitability, and financial success of Corporation.

ARTICLE 2
DEFINITIONS

2.1 Defined Terms. For purposes of the Plan, the following terms have the meanings set forth below:

"Advisor" means a natural person who is a consultant to or member of an Advisory Committee of Corporation or a Subsidiary, who provides bona fide services to Corporation and who is neither an employee of Corporation or a Subsidiary nor a Non-Employee Director. "Advisor" excludes any person who provides services to Corporation in connection with the offer or sale of securities in a capital raising transaction or to promote or maintain a market for Corporation's securities, and any other person excluded from the class of persons to whom securities may be offered pursuant to a registration statement on Form S-8 or any successor form of registration statement.

"Advisory Committee" means a scientific advisory committee to Corporation or a Subsidiary.

"Award" means an award or grant made to a Participant of Options, Stock Appreciation Rights, Restricted Awards, Performance Awards, or Other Stock-Based Awards pursuant to the Plan.

"Award Agreement" means an agreement as described in Section 6.4.

"Board" means the Board of Directors of Corporation.

"Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time, or any successor thereto, together with rules, regulations, and interpretations promulgated thereunder. Where the context so requires, any reference to a particular Code section will be construed to refer to the successor provision to such Code section.

"Committee" means the committee appointed by the Board to administer the Plan as provided in Article 3 of the Plan.

"Common Stock" means the Common Stock, no par value, of Corporation or any security of Corporation issued in substitution, in exchange, or in lieu of such stock.

"Continuing Restriction" means a Restriction contained in Sections 6.7, 6.8, and 16.4 of the Plan and any other Restrictions expressly designated by the Committee in an Award Agreement as a Continuing Restriction.

"Corporation" means OraSure Technologies, Inc., a Delaware corporation, or any successor corporation. As to awards granted or other action taken prior to September 29, 2000, "Corporation" includes Epitope, Inc., as predecessor to OraSure Technologies, Inc.

"Deferred Compensation Option" means a Nonqualified Option granted with an option price less than Fair Market Value on the date of grant pursuant to Section 7.9 of the Plan.

"Disability" means the condition of being "disabled" within the meaning of Section 422(c)(6) of the Code. However, the Committee may change the foregoing definition of "Disability" or may adopt a different definition for purposes of specific Awards.

"Exchange Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time, or any successor statute. Where the context so requires, any reference to a particular section of the Exchange Act, or to any rule promulgated under the Exchange Act, shall be construed to refer to successor provisions to such section or rule.

"Fair Market Value" means with respect to Common Stock, on a particular day, without regard to any restrictions (other than a restriction which, by its terms, will never lapse), the mean between the reported high and low sale prices, or, if there is no sale on such day, the mean between the reported bid and asked prices, of Shares of the Common Stock on that day or, if that day is not a trading day, the last prior trading day, on the securities exchange or automated securities interdealer quotation system on which such Shares have been traded.

"Incentive Stock Option" or "ISO" means any Option granted pursuant to the Plan that is intended to be and is specifically designated in its Award Agreement as an "incentive stock option" within the meaning of Section 422 of the Code.

"Non-Employee Director" means a member of the Board who is not an employee of Corporation or any Subsidiary.

"Nonqualified Option" or "NQO" means any Option, including a Deferred Compensation Option, granted pursuant to the Plan that is not an Incentive Stock Option.

"Option" means an ISO, an NQO, or a Deferred Compensation Option.

"Other Stock-Based Award" means an Award as defined in Section 11.1.

"Participant" means an employee of Corporation or a Subsidiary, an Advisor, or a Non-Employee Director who is granted an Award under the Plan.

"Performance Award" means an Award granted pursuant to the provisions of Article 10 of the Plan, the Vesting of which is contingent on performance attainment.

"Performance Cycle" means a designated performance period pursuant to the provisions of Section 10.3 of the Plan.

"Performance Goal" means a designated performance objective pursuant to the provisions of Section 10.4 of the Plan.

"Plan" means this OraSure Technologies, Inc. 2000 Stock Award Plan, as set forth herein and as it may be amended from time to time.

"Reporting Person" means a Participant who is subject to the reporting requirements of Section 16(a) of the Exchange Act.

"Restricted Award" means a Restricted Share or a Restricted Unit granted pursuant to Article 9 of the Plan.

"Restricted Share" means an Award described in Section 9.1(a) of the Plan.

"Restricted Unit" means an Award of units representing Shares described in Section 9.1(b) of the Plan.

"Restriction" means a provision in the Plan or in an Award Agreement which limits the exercisability or transferability, or which governs the forfeiture, of an Award or the Shares, cash, or other property payable pursuant to an Award.

"Retirement" means:

(a) For Participants who are employees, retirement from active employment with Corporation and its Subsidiaries at or after age 50, or such earlier retirement date as approved by the Committee for purposes of the Plan;

(b) For Participants who are Non-Employee Directors, termination of membership on the Board after attaining age 50, or such earlier retirement date as approved by the Committee for purposes of the Plan; and

(c) For Participants who are Advisors, termination of service as an Advisor after attaining age 50, or such earlier retirement date as approved by the Committee for purposes of the Plan.

However, the Committee may change the foregoing definition of "Retirement" or may adopt a different definition for purposes of specific Awards.

"Share" means a share of Common Stock.

"Stock Appreciation Right" or "SAR" means an Award to benefit from the appreciation of Common Stock granted pursuant to the provisions of Article 8 of the Plan.

"Subsidiary" means any "subsidiary corporation" of Corporation within the meaning of Section 424 of the Code, namely any corporation in which Corporation directly or indirectly controls 50 percent or more of the total combined voting power of all classes of stock having voting power.

"Vest" or "Vested" means:

(a) In the case of an Award that requires exercise, to be or to become immediately and fully exercisable and free of all Restrictions (other than Continuing Restrictions);

(b) In the case of an Award that is subject to forfeiture, to be or to become nonforfeitable, freely transferable, and free of all Restrictions (other than Continuing Restrictions);

(c) In the case of an Award that is required to be earned by attaining specified Performance Goals, to be or to become earned and nonforfeitable, freely transferable, and free of all Restrictions (other than Continuing Restrictions); or

(d) In the case of any other Award as to which payment is not dependent solely upon the exercise of a right, election, exercise, or option, to be or to become immediately payable and free of all Restrictions (except Continuing Restrictions).

2.2 Gender and Number. Except where otherwise indicated by the context, any masculine or feminine terminology used in the Plan shall also include the opposite gender; and the definition of any term in Section 2.1 in the singular shall also include the plural, and vice versa.

ARTICLE 3
ADMINISTRATION

3.1 General. Except as provided in Section 3.7, the Plan will be administered by a Committee composed as described in Section 3.2.

3.2 Composition of the Committee. The Committee will be appointed by the Board from among its members in a number and with such qualifications as will meet the requirements for approval by a committee pursuant to both Rule 16b-3 under the Exchange Act and Section 162m of the Code. The Board may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, however caused, will be filled by the Board. The initial members of the Committee will be the members of Corporation's existing Executive Compensation Committee. The Board may at any time replace the Executive Compensation Committee with another Committee. In the event that the Executive Compensation Committee ceases to satisfy the requirements of Rule 16b-3 or Section 162m of the Code, the Board will appoint another Committee satisfying such requirements.

3.3 Authority of the Committee. The Committee will have full power and authority (subject to such orders or resolutions as may be issued or adopted from time to time by the Board) to administer the Plan in its sole discretion, including the authority to:

(a) Construe and interpret the Plan and any Award Agreement;

(b) Promulgate, amend, and rescind rules and procedures relating to the implementation of the Plan;

(c) With respect to employees and Advisors:

(i) Select the employees and Advisors who shall be granted Awards;

(ii) Determine the number and types of Awards to be granted to each such Participant;

(iii) Determine the number of Shares, or Share equivalents, to be subject to each Award;

(iv) Determine the option price, purchase price, base price, or similar feature for any Award; and

(v) Determine all the terms and conditions of all Award Agreements, consistent with the requirements of the Plan.

Decisions of the Committee, or any delegate as permitted by the Plan, shall be final, conclusive, and binding on all Participants.

3.4 Action by the Committee. A majority of the members of the Committee will constitute a quorum for the transaction of business. Action approved by a majority of the members present at any meeting at which a quorum is present, or action in writing by all the members of the Committee, will be the valid acts of the Committee.

3.5 Delegation. Notwithstanding the foregoing, the Committee may delegate to one or more officers of Corporation the authority to determine the recipients, types, amounts, and terms of Awards granted to Participants who are not Reporting Persons.

3.6 Liability of Committee Members. No member of the Committee will be liable for any action or determination made in good faith with respect to the Plan, any Award, or any Participant.

3.7 Awards to Non-Employee Directors. The Board or Committee may grant Awards from time to time to Non-Employee Directors.

3.8 Costs of Plan. The costs and expenses of administering the Plan will be borne by Corporation.

ARTICLE 4
DURATION OF THE PLAN AND SHARES SUBJECT TO THE PLAN

4.1 Duration of the Plan. The Plan is effective February 15, 2000, subject to approval by Epitope, Inc.'s shareholders as provided in Article 17. The Plan will remain in effect until Awards have been granted covering all the available Shares or the Plan is otherwise terminated by the Board. Termination of the Plan will not affect outstanding Awards.

4.2 Shares Subject to the Plan.

4.2.1 General. The shares which may be made subject to Awards under the Plan are Shares of Common Stock, which may be either authorized and unissued Shares or reacquired Shares. No fractional Shares may be issued under the Plan.

4.2.2 Number of Shares. The maximum number of Shares for which Awards may be granted under the Plan is 4,300,000 Shares, plus the number of Shares that are available for grant under the Epitope, Inc., 1991 Stock Award Plan (the "1991 Plan"), on February 15, 2000, subject to adjustment pursuant to Article 14 of the Plan.

4.2.3 Availability of Shares for Future Awards. If an Award under the Plan, the 1991 Plan, or the Incentive Stock Option Plan for Key Employees of Epitope, Inc. (the "ISOP"), is canceled or expires for any reason prior to having been fully Vested or exercised by a Participant or is settled in cash in lieu of Shares or is exchanged for other Awards, all Shares covered by such Awards will be made available for future Awards under the Plan. Furthermore, any Shares used as full or partial payment to Corporation by a Participant of the option, purchase, or other exercise price of an Award and any Shares covered by a Stock Appreciation Right which are not issued upon exercise will become available for future Awards.

ARTICLE 5
ELIGIBILITY

Employees and Advisors. Officers and other employees of Corporation and any Subsidiaries (who may also be directors of Corporation or a Subsidiary) and Advisors who, in the Committee's judgment, are or will be contributors to the long-term success of Corporation will be eligible to receive Awards under the Plan.

5.2 Non-Employee Directors. All Non-Employee Directors will be eligible to receive Awards as provided in Section 3.7 of the Plan.

ARTICLE 6
AWARDS

6.1 Types of Awards. The types of Awards that may be granted under the Plan are:

(a) Options governed by Article 7 of the Plan;

(b) Stock Appreciation Rights governed by Article 8 of the Plan;

(c) Restricted Awards governed by Article 9 of the Plan;

(d) Performance Awards governed by Article 10 of the Plan; and

(e) Other Stock-Based Awards or combination awards governed by Article 11 of the Plan.

In the discretion of the Committee, any Award may be granted alone, in addition to, or in tandem with other Awards under the Plan.

6.2 General. Subject to the limitations of the Plan, the Committee may cause Corporation to grant Awards to such Participants, at such times, of such types, in such amounts, for such periods, with such option prices, purchase prices, or base prices, and subject to such terms, conditions, limitations, and restrictions as the Committee, in its discretion, deems appropriate. Awards may be granted as additional compensation to a Participant or in lieu of other compensation to such Participant. A Participant may receive more than one Award and more than one type of Award under the Plan.

6.3 Nonuniform Determinations. The Committee's determinations under the Plan or under one or more Award Agreements, including without limitation, (a) the selection of Participants to receive Awards, (b) the type, form, amount, and timing of Awards, (c) the terms of specific Award Agreements, and (d) elections and determinations made by the Committee with respect to exercise or payments of Awards, need not be uniform and may be made by the Committee selectively among Participants and Awards, whether or not Participants are similarly situated.

6.4 Award Agreements. Each Award will be evidenced by a written Award Agreement between Corporation and the Participant. Award Agreements may, subject to the provisions of the Plan, contain any provision approved by the Committee.

6.5 Provisions Governing All Awards. All Awards will be subject to the following provisions:

(a) Alternative Awards. If any Awards are designated in their Award Agreements as alternative to each other, the exercise of all or part of one Award automatically will cause an immediate equal (or pro rata) corresponding termination of the other alternative Award or Awards.

(b) Rights as Shareholders. No Participant will have any rights of a shareholder with respect to Shares subject to an Award until such Shares are issued in the name of the Participant.

(c) Employment Rights. Neither the adoption of the Plan nor the granting of any Award will confer on any person the right to continued employment with Corporation or any Subsidiary or the right to remain as a director of Corporation or a member of any Advisory Committee, as the case may be, nor will it interfere in any way with the right of Corporation or a Subsidiary to terminate such person's employment or to remove such person as an Advisor or as a director at any time for any reason or for no reason, with or without cause.

(d) Termination Of Employment. The terms and conditions under which an Award may be exercised or will continue to Vest, if at all, after a Participant's termination of employment or service as an Advisor or as a Non-Employee Director will be determined by the Committee and specified in the applicable Award Agreement.

(e) Change in Control. The Committee, in its discretion, may provide in any Award Agreement that in the event of a change in control of Corporation (as the Committee may define such term in the Award Agreement), as of the date of such change in control:

(i) All, or a specified portion of, Awards requiring exercise will become fully and immediately exercisable, notwithstanding any other limitations on exercise;

(ii) All, or a specified portion of, Awards subject to Restrictions will become fully Vested; and

(iii) All, or a specified portion of, Awards subject to Performance Goals will be deemed to have been fully earned.

The Committee, in its discretion, may include change in control provisions in some Award Agreements and not in others, may include different change in control provisions in different Award Agreements, and may include change in control provisions for some Awards or some Participants and not for others.

(f) Service Periods. At the time of granting Awards, the Committee may specify, by resolution or in the Award Agreement, the period or periods of service performed or to be performed by the Participant in connection with the grant of the Award.

6.6 Tax Withholding.

(a) General. Corporation will have the right to deduct from any settlement, including the delivery or Vesting of Shares, made under the Plan any federal, state, or local taxes of any kind required by law to be withheld with respect to such payments or to take such other action as may be necessary in the opinion of Corporation to satisfy all obligations for the payment of such taxes. The recipient of any payment or distribution under the Plan will make arrangements satisfactory to Corporation for the satisfaction of any such withholding tax obligations. Corporation will not be required to make any such payment or distribution under the Plan until such obligations are satisfied.

(b) Stock Withholding. The Committee, in its sole discretion, may permit a Participant to satisfy all or a part of the withholding tax obligations incident to the settlement of an Award involving payment or delivery of Shares to the Participant by having Corporation withhold a portion of the Shares that would otherwise be issuable to the Participant. Such Shares will be valued based on their Fair Market Value on the date the tax withholding is required to be made. Any stock withholding with respect to a Reporting Person will be subject to such limitations as the Committee may impose to comply with the requirements of the Exchange Act.

6.7 Annulment of Awards. Any Award Agreement may provide that the grant of an Award payable in cash is provisional until cash is paid in settlement thereof or that grant of an Award payable in Shares is provisional until the Participant becomes entitled to the certificate in settlement thereof. In the event the employment (or service as an Advisor or membership on the Board) of a Participant is terminated for cause (as defined below), any Award that is provisional will be annulled as of the date of such termination for cause. For the purpose of this Section 6.7, the term "for cause" has the meaning set forth in the Participant's employment agreement, if any, or otherwise means any discharge (or removal) for material or flagrant violation of the policies and procedures of Corporation or for other job performance or conduct which is materially detrimental to the best interests of Corporation, as determined by the Committee.

6.8 Engaging in Competition With Corporation. Any Award Agreement may provide that, if a Participant terminates employment with Corporation or a Subsidiary for any reason whatsoever, and within 18 months after the date thereof accepts employment with any competitor of (or otherwise engages in competition with) Corporation, the Committee, in its sole discretion, may require such Participant to return to Corporation the economic value of any Award that is realized or obtained (measured at the date of exercise, Vesting, or payment) by such Participant at any time during the period beginning on the date that is six months prior to the date of such Participant's termination of employment with Corporation.

ARTICLE 7
OPTIONS

7.1 Types of Options. Options granted under the Plan may be in the form of Incentive Stock Options or Nonqualified Options (including Deferred Compensation Options). The grant of each Option and the Award Agreement governing each Option will identify the Option as an ISO or an NQO. In the event the Code is amended to provide for tax-favored forms of stock options other than or in addition to Incentive Stock Options, the Committee may grant Options under the Plan meeting the requirements of such forms of options.

7.2 General. Options will be subject to the terms and conditions set forth in Article 6 and this Article 7 and may contain such additional terms and conditions, not inconsistent with the express provisions of the Plan, as the Committee (or the Board with respect to Awards to Non-Employee Directors) deems desirable.

7.3 Option Price. Each Award Agreement for Options will state the option exercise price per Share of Common Stock purchasable under the Option, which will not be less than:

(a) $1 per share in the case of a Deferred Compensation Option;

(b) 75 percent of the Fair Market Value of a Share on the date of grant for all other Nonqualified Options; or

(c) 100 percent of the Fair Market Value of a Share on the date of grant for all Incentive Stock Options.

7.4 Option Term. The Award Agreement for each Option will specify the term of each Option, which may be unlimited or may have a specified period during which the Option may be exercised, as determined by the Committee.

7.5 Time of Exercise. The Award Agreement for each Option will specify, as determined by the Committee:

(a) The time or times when the Option will become exercisable and whether the Option will become exercisable in full or in graduated amounts over a period specified in the Award Agreement;

(b) Such other terms, conditions, and restrictions as to when the Option may be exercised as determined by the Committee; and

(c) The extent, if any, to which the Option will remain exercisable after the Participant ceases to be an employee, Advisor, or director of Corporation or a Subsidiary.

An Award Agreement for an Option may, in the discretion of the Committee, provide whether, and to what extent, the Option will become immediately and fully exercisable (i) in the event of the death, Disability, or Retirement of the Participant, or (ii) upon the occurrence of a change in control of Corporation.

7.6 Method of Exercise. The Award Agreement for each Option will specify the method or methods of payment acceptable upon exercise of an Option. An Award Agreement may provide that the option price is payable in full in cash or, at the discretion of the Committee:

(a) In installments on such terms and over such period as the Committee determines;

(b) In previously acquired Shares (including Restricted Shares);

(c) By surrendering outstanding Awards under the Plan denominated in Shares or in Share-equivalent units;

(d) By delivery (in a form approved by the Committee) of an irrevocable direction to a securities broker acceptable to the Committee:

(i) To sell Shares subject to the Option and to deliver all or a part of the sales proceeds to Corporation in payment of all or a part of the option price and withholding taxes due; or

(ii) To pledge Shares subject to the Option to the broker as security for a loan and to deliver all or a part of the loan proceeds to Corporation in payment of all or a part of the option price and withholding taxes due; or

(e) In any combination of the foregoing or in any other form approved by the Committee.

If Restricted Shares are surrendered in full or partial payment of an Option price, a corresponding number of the Shares issued upon exercise of the Option will be Restricted Shares subject to the same Restrictions as the surrendered Restricted Shares.

7.7 Special Rules for Incentive Stock Options. In the case of an Option designated as an Incentive Stock Option, the terms of the Option and the Award Agreement must be in conformance with the statutory and regulatory requirements specified in Section 422 of the Code, as in effect on the date such ISO is granted. ISOs may be granted only to employees of Corporation or a Subsidiary. ISOs may not be granted under the Plan after February 15, 2010, unless the ten-year limitation of Section 422(b)(2) of the Code is removed or extended.

7.8 Restricted Shares. In the discretion of the Committee, the Shares issuable upon exercise of an Option may be Restricted Shares if so provided in the Award Agreement.

7.9 Deferred Compensation Options. The Committee may, in its discretion, grant Deferred Compensation Options with an option price less than Fair Market Value to provide a means for deferral of compensation to future dates. The option price will be determined by the Committee subject to Section 7.3(a) of the Plan. The number of Shares subject to a Deferred

Compensation Option will be determined by the Committee, in its discretion, by dividing the amount of compensation to be deferred by the difference between the Fair Market Value of a Share on the date of grant and the option price of the Deferred Compensation Option. Amounts of compensation deferred with Deferred Compensation Options may include amounts earned under Awards granted under the Plan or under any other compensation program or arrangement of Corporation as permitted by the Committee. The Committee may grant Deferred Compensation Options only if it reasonably determines that the recipient of such an Option is not likely to be deemed to be in constructive receipt for income tax purposes of the income being deferred.

7.10 Reload Options. The Committee, in its discretion, may provide in an Award Agreement for an Option that in the event all or a portion of the Option is exercised by the Participant using previously acquired Shares, the Participant will automatically be granted a replacement Option (with an option price equal to the Fair Market Value of a Share on the date of such exercise) for a number of Shares equal to (or equal to a portion of) the number of shares surrendered upon exercise of the Option. Such reload Option features may be subject to such terms and conditions as the Committee shall determine, including without limitation, a condition that the Participant retain the Shares issued upon exercise of the Option for a specified period of time.

7.11 Limitation on Number of Shares Subject to Options. In no event may Options for more than 500,000 Shares be granted to any individual under the Plan during any fiscal year period.

ARTICLE 8
STOCK APPRECIATION RIGHTS

8.1 General. Stock Appreciation Rights will be subject to the terms and conditions set forth in Article 6 and this Article 8 and may contain such additional terms and conditions, not inconsistent with the express terms of the Plan, as the Committee (or the Board with respect to Awards to Non-Employee Directors) deems desirable.

8.2 Nature of Stock Appreciation Right. A Stock Appreciation Right is an Award entitling a Participant to receive an amount equal to the excess (or if the Committee determines at the time of grant, a portion of the excess) of the Fair Market Value of a Share of Common Stock on the date of exercise of the SAR over the base price, as described below, on the date of grant of the SAR, multiplied by the number of Shares with respect to which the SAR has been exercised. The base price will be designated by the Committee in the Award Agreement for the SAR and may be the Fair Market Value of a Share on the grant date of the SAR or such other higher or lower price as the Committee determines.

8.3 Exercise. A Stock Appreciation Right may be exercised by a Participant in accordance with procedures established by the Committee. The Committee may also provide that an SAR will be automatically exercised on one or more specified dates or upon the satisfaction of one or more specified conditions. In the case of SARs granted to Reporting

Persons, exercise of the SAR will be limited by the Committee to the extent required to comply with the applicable requirements of Rule 16b-3 under the Exchange Act.

8.4 Form of Payment. Payment upon exercise of a Stock Appreciation Right may be made in cash, in installments, in Shares, by issuance of a Deferred Compensation Option, or in any combination of the foregoing, or in any other form as the Committee determines.

8.5 Limitation on Number of Shares Subject to SARs. In no event may SARs for more than 500,000 Shares be granted to any individual under the Plan during any fiscal year period.

ARTICLE 9
RESTRICTED AWARDS

9.1 Types of Restricted Awards. Restricted Awards granted under the Plan may be in the form of either Restricted Shares or Restricted Units.

(a) Restricted Shares. A Restricted Share is an Award of Shares transferred to a Participant subject to such terms and conditions as the Committee deems appropriate, including, without limitation, restrictions on the sale, assignment, transfer, or other disposition of such Restricted Shares and may include a requirement that the Participant forfeit such Restricted Shares back to Corporation upon termination of Participant's employment (or service as an Advisor or Non-Employee Director) for specified reasons within a specified period of time or upon other conditions, as set forth in the Award Agreement for such Restricted Shares. Each Participant receiving a Restricted Share will be issued a stock certificate in respect of such Shares, registered in the name of such Participant, and will be required to execute a stock power in blank with respect to the Shares evidenced by such certificate. The certificate evidencing such Restricted Shares and the stock power will be held in custody by Corporation until the Restrictions thereon will have lapsed.

(b) Restricted Units. A Restricted Unit is an Award of units (with each unit having a value equivalent to one Share) granted to a Participant subject to such terms and conditions as the Committee deems appropriate, and may include a requirement that the Participant forfeit such Restricted Units upon termination of Participant's employment (or service as an Advisor or Non-Employee Director) for specified reasons within a specified period of time or upon other conditions, as set forth in the Award Agreement for such Restricted Units.

9.2 General. Restricted Awards will be subject to the terms and conditions of Article 6 and this Article 9 and may contain such additional terms and conditions, not inconsistent with the express provisions of the Plan, as the Committee (or the Board with respect to Awards to Non-Employee Directors) deems desirable.

9.3 Restriction Period. Restricted Awards will provide that such Awards, and the Shares subject to such Awards, may not be transferred, and may provide that, in order for a Participant to Vest in such Awards, the Participant must remain in the employment (or remain as an Advisor or Non-Employee Director) of Corporation or its Subsidiaries, subject to relief for reasons specified in the Award Agreement, for a period commencing on the date of the Award and ending on such later date or dates as the Committee designates at the time of the Award (the "Restriction Period"). During the Restriction Period, a Participant may not sell, assign, transfer, pledge, encumber, or otherwise dispose of Shares received under or governed by a Restricted Award grant. The Committee, in its sole discretion, may provide for the lapse of restrictions in installments during the Restriction Period. Upon expiration of the applicable Restriction Period (or lapse of Restrictions during the Restriction Period where the Restrictions lapse in installments) the Participant shall be entitled to settlement of the Restricted Award or portion thereof, as the case may be. Although Restricted Awards will usually Vest based on continued employment (or service as an Advisor or Non-Employee Director) and Performance Awards under Article 10 shall usually Vest based on attainment of Performance Goals, the Committee, in its discretion, may condition Vesting of Restricted Awards on attainment of Performance Goals as well as continued employment (or service as an Advisor or Non-Employee Director). In such case, the Restriction Period for such a Restricted Award will include the period prior to satisfaction of the Performance Goals.

9.4 Forfeiture. If a Participant ceases to be an employee, Advisor of Corporation or a Subsidiary or Non-Employee Director during the Restriction Period for any reason other than reasons which may be specified in an Award Agreement (such as death, Disability, or Retirement), the Award Agreement may require that all non-Vested Restricted Awards previously granted to the Participant be forfeited and returned to Corporation.

9.5 Settlement of Restricted Awards.

(a) Restricted Shares. Upon Vesting of a Restricted Share Award, the legend on such Shares will be removed and the Participant's stock power will be returned and the Shares will no longer be Restricted Shares. The Committee may also, in its discretion, permit a Participant to receive, in lieu of unrestricted Shares at the conclusion of the Restriction Period, payment in cash, installments, a Deferred Compensation Option equal to the Fair Market Value of the Restricted Shares as of the date the Restrictions lapse, or in any other manner or combination of such methods as the Committee, in its sole discretion, determines.

(b) Restricted Units. Upon Vesting of a Restricted Unit Award, a Participant will be entitled to receive payment for Restricted Units in an amount equal to the aggregate Fair Market Value of the Shares covered by such Restricted Units at the expiration of the Applicable Restriction Period. Payment in settlement of a Restricted Unit will be made as soon as practicable following the conclusion of the applicable Restriction Period in cash, in installments, in Shares equal to the number of Restricted Units, by issuance of a Deferred Compensation Option, or in any other manner or combination of such methods as the Committee, in its sole discretion, determines.

9.6 Rights as a Shareholder. A Participant will have, with respect to unforfeited Shares received under a grant of Restricted Shares, all the rights of a shareholder of Corporation, including the right to vote the Shares, and the right to receive any cash dividends. Stock dividends issued with respect to Restricted Shares will be treated as additional Shares covered by the grant of Restricted Shares and will be subject to the same Restrictions.

ARTICLE 10
PERFORMANCE AWARDS

10.1 General. Performance Awards will be subject to the terms and conditions set forth in Article 6 and this Article 10 and may contain such other terms and conditions not inconsistent with the express provisions of the Plan, as the Committee (or the Board with respect to Awards to Non-Employee Directors) deems desirable.

10.2 Nature of Performance Awards. A Performance Award is an Award of units (with each unit having a value equivalent to one Share) granted to a Participant subject to such terms and conditions as the Committee deems appropriate, including, without limitation, the requirement that the Participant forfeit such Performance Award or a portion thereof in the event specified performance criteria are not met within a designated period of time.

10.3 Performance Cycles. For each Performance Award, the Committee will designate a performance period (the "Performance Cycle") with a duration to be determined by the Committee in its discretion within which specified Performance Goals are to be attained. There may be several Performance Cycles in existence at any one time and the duration of Performance Cycles may differ from each other.

10.4 Performance Goals. The Committee will establish Performance Goals for each Performance Cycle on the basis of such criteria and to accomplish such objectives as the Committee may from time to time select. Performance Goals may be based on performance criteria for Corporation, a Subsidiary, or an operating group, or based on a Participant's individual performance. Performance Goals may include objective and subjective criteria. During any Performance Cycle, the Committee may adjust the Performance Goals for such Performance Cycle as it deems equitable in recognition of unusual or nonrecurring events affecting Corporation, changes in applicable tax laws or accounting principles, or such other factors as the Committee may determine.

10.5 Determination of Awards. As soon as practicable after the end of a Performance Cycle, the Committee will determine the extent to which Performance Awards have been earned on the basis of performance in relation to the established Performance Goals.

10.6 Timing and Form of Payment. Settlement of earned Performance Awards will be made to the Participant as soon as practicable after the expiration of the Performance Cycle and the Committee's determination under Section 10.5, in the form of cash, installments, Shares, Deferred Compensation Options, or any combination of the foregoing or in any other form as the Committee determines.

10.7 Performance Goals for Executive Officers. The performance goals for Performance Awards granted to executive officers of Corporation may relate to corporate performance, business unit performance, or a combination of both.

(a) Corporate performance goals will be based on financial performance goals related to the performance of Corporation as a whole and may include one or more measures related to earnings, profitability, efficiency, or return to stockholders such as earnings per share, operating profit, stock price, costs of production, or other measures.

(b) Business unit performance goals will be based on a combination of financial goals and strategic goals related to the performance of an identified business unit for which a Participant has responsibility. Strategic goals for a business unit may include one or a combination of objective factors relating to success in implementing strategic plans or initiatives, introductory products, constructing facilities, or other identifiable objectives. Financial goals for a business unit may include the degree to which the business unit achieves one or more objective measures related to its revenues, earnings, profitability, efficiency, operating profit, costs of production, or other measures.

(c) Any corporate or business unit goals may be expressed as absolute amounts or as ratios or percentages. Success may be measured against various standards, including budget targets, improvement over prior periods, and performance relative to other companies, business units, or industry groups.

10.8 Award Limitations. The maximum number of Shares issuable with respect to Performance Awards granted to any individual executive officer may not exceed 150,000 Shares for any calendar year.

ARTICLE 11
OTHER STOCK-BASED AND COMBINATION AWARDS

11.1 Other Stock-Based Awards. The Committee (or the Board with respect to Awards to Non-Employee Directors) may grant other Awards under the Plan pursuant to which Shares are or may in the future be acquired, or Awards denominated in or measured by Share equivalent units, including Awards valued using measures other than the market value of Shares. Such Other Stock-Based Awards may be granted either alone, in addition to, or in tandem with, any other type of Award granted under the Plan.

11.2 Combination Awards. The Committee may also grant Awards under the Plan in tandem or combination with other Awards or in exchange of Awards, or in tandem or combination with, or as alternatives to, grants or rights under any other employee plan of Corporation, including the plan of any acquired entity. No action authorized by this section may reduce the amount of any existing benefits or change the terms and conditions thereof without the Participant's consent.

ARTICLE 12
DEFERRAL ELECTIONS

The Committee may permit a Participant to elect to defer receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant by virtue of the exercise, earn-out, or Vesting of an Award made under the Plan. If any such election is permitted, the Committee will establish rules and procedures for such payment deferrals, including, but not limited to: (a) payment or crediting of reasonable interest on such deferred amounts credited in cash, (b) the payment or crediting of dividend equivalents in respect of deferrals credited in Share equivalent units, or (c) granting of Deferred Compensation Options.

ARTICLE 13
DIVIDEND EQUIVALENTS

Any Awards may, at the discretion of the Committee, earn dividend equivalents. In respect of any such Award that is outstanding on a dividend record date for Common Stock, the Participant may be credited with an amount equal to the amount of cash or stock dividends that would have been paid on the Shares covered by such Award, had such covered Shares been issued and outstanding on such dividend record date. The Committee will establish such rules and procedures governing the crediting of dividend equivalents, including the timing, form of payment, and payment contingencies of such dividend equivalents, as it deems appropriate or necessary.

ARTICLE 14
ADJUSTMENTS UPON CHANGES IN CAPITALIZATION, ETC.

14.1 Plan Does Not Restrict Corporation. The existence of the Plan and the Awards granted hereunder will not affect or restrict in any way the right or power of the Board or the shareholders of Corporation to make or authorize any adjustment, recapitalization, reorganization, or other change in Corporation's capital structure or its business, any merger or consolidation of the Corporation, any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting Corporation's capital stock or the rights thereof, the dissolution or liquidation of Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding.

14.2 Adjustments by the Committee. In the event of any change in capitalization affecting the Common Stock of Corporation, such as a stock dividend, stock split, recapitalization, merger, consolidation, split-up, combination or exchange of shares or other form of reorganization, or any other change affecting the Common Stock, such proportionate adjustments, if any, as the Committee, in its sole discretion, may deem appropriate to reflect such change, will be made with respect to the aggregate number of Shares for which Awards in respect thereof may be granted under the Plan, the maximum number of Shares which may be sold or awarded to any Participant, the number of Shares covered by each outstanding Award, and the price per Share in respect of outstanding Awards. The Committee may also make such adjustments in the number of Shares covered by, and price or other value of any outstanding Awards in the event of a spin-off or other distribution (other than normal cash dividends), of Corporation assets to shareholders.

ARTICLE 15
AMENDMENT AND TERMINATION

The Board may amend, suspend, or terminate the Plan or any portion of the Plan at any time, provided no amendment may be made without shareholder approval if such approval is required by applicable law or the applicable requirements of a stock exchange or over-the-counter stock trading system.

ARTICLE 16
MISCELLANEOUS

16.1 Unfunded Plan. The Plan will be unfunded and Corporation will not be required to segregate any assets that may at any time be represented by Awards under the Plan. Any liability of Corporation to any person with respect to any Award under the Plan will be based solely upon any contractual obligations that may be effected pursuant to the Plan. No such obligation of Corporation will be deemed to be secured by any pledge of, or other encumbrance on, any property of Corporation.

16.2 Payments to Trust. The Committee is authorized (but has no obligation) to cause to be established a trust agreement or several trust agreements whereunder the Committee may make payments of amounts due or to become due to Participants in the Plan.

16.3 Other Corporation Benefit and Compensation Programs. Payments and other benefits received by a Participant under an Award made pursuant to the Plan will not be deemed a part of a Participant's regular, recurring compensation for purposes of the termination indemnity or severance pay law of any state or country and shall not be included in, or have any effect on, the determination of benefits under any other employee benefit plan or similar arrangement provided by Corporation or a Subsidiary unless expressly so provided by such other plan or arrangements, or except where the Committee expressly determines that an Award or portion of an Award should be included to accurately reflect competitive compensation practices or to recognize that an Award has been made in lieu of a portion of cash compensation. Awards under the Plan may be made in combination with or in tandem with, or as alternatives to, grants, awards, or payments under any other Corporation or Subsidiary plans, arrangements, or programs. The Plan notwithstanding, Corporation or any Subsidiary may adopt such other compensation programs and additional compensation arrangements as it deems necessary to attract, retain, and reward employees and directors for their service with Corporation and its Subsidiaries.

16.4 Securities Law Restrictions. No Shares may be issued under the Plan unless counsel for Corporation is satisfied that such issuance will be in compliance with applicable federal and state securities laws. Certificates for Shares delivered under the Plan may be subject to such stop-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Common Stock is then listed, and any applicable federal or state securities law. The Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

16.5 Governing Law. Except with respect to references to the Code or federal securities laws, the Plan and all actions taken thereunder shall be governed by and construed in accordance with the laws of the state of Delaware.

ARTICLE 17
SHAREHOLDER APPROVAL

The Plan is expressly subject to the approval of the Plan by the shareholders at the 2000 annual meeting of Epitope Inc.'s shareholders.

Exhibit 10.2

Description of OraSure Technologies, Inc. 2002 Employee Cash Bonus Plan

On May 20, 2002, the Company's Board of Directors authorized the Company to implement a 2002 Employee Cash Bonus Plan (the "Bonus Plan"). The purpose of the Bonus Plan is to reward outstanding individual performance by employees with cash bonuses. All employees, except for sales employees (who are covered by a separate commission plan), will be eligible to participate in the Bonus Plan. Pursuant to the Bonus Plan, cash bonuses may be paid out of (i) a basic cash bonus pool to be initially funded in the amount of $400,000 (the "Basic Pool") and (ii) an incentive cash bonus pool (the "Incentive Pool").

Basic Pool. Payments from the Basic Pool will depend on an employee's achievement of individual performance objectives and the overall condition of the Company's business at the end of 2002 (as determined by the Board in its sole discretion). In general, payments are expected to be based on the following target payouts, which are expressed as a percentage of base salary:

Title	Target Payouts
Chief Executive Officer	50%
Chief Science Officer	35%
Chief Financial Officer	35%
Senior Vice President	30%
Vice President	20%
Director	15%
Manager	10%
All other	5%

Performance criteria for individual employees will be derived from the Company's 2002 corporate objectives concerning financial performance, strategic planning, research and development, business development, regulatory affairs and quality control, manufacturing, engineering, information systems, sales and marketing, human resources, investor relations matters and/or such other objectives chosen by the Board in its sole discretion. Awards are expected to reflect a weighted average measurement of an employee's achievement of his or her individual performance objectives.

If the Company does not achieve its 2002 sales and net income budgets, the Basic Pool will be reduced by at least 50% to $200,000, subject to the attainment of the applicable performance criteria as provided above. If the Company achieves its 2002 sales and net income budgets, the full $400,000 Basic Pool will be available for award.

Incentive Pool. Payments from the Incentive Pool may be made only if the Company exceeds its 2002 sales and net income budgets. The aggregate payments that could be made from the Incentive Pool are expected to equal 50% of the excess by which the Company's 2002 net income is greater than $1 million. All amounts awarded from the Basic Pool shall be included in determining the Company's 2002 net income for purposes of the Incentive Pool. Awards from the Incentive Pool shall be made on the same basis as the awards from the Basic Pool, provided that aggregate awards from both the Basic Pool and the Incentive Pool to any individual shall not exceed two times the applicable target payout percentage for such employee for awards under the Basic Pool.

Employees must be employed by the Company as of December 31, 2002 in order to participate in the Bonus Plan, and awards will be adjusted on a pro rata basis to the extent any employee is employed for only a portion of the year 2002. The Chief Executive Officer will recommend individual awards for all employees to the Compensation Committee of the Board of Directors based on an assessment of each individual's performance against his or her applicable performance objectives. The Compensation Committee may approve or disapprove any recommended bonus award in whole or in part in its sole discretion. In addition, the Board shall have the right in its sole discretion to reject any or all of the recommended bonus awards, even if any and all applicable performance criteria have been satisfied, based on business conditions of the Company at or immediately after the end of 2002.

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of OraSure Technologies, Inc. (the "Company") on Form 10-Q for the quarter ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Gausling, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael J. Gausling

Michael J. Gausling
President and Chief Executive Officer
July 31, 2002

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of OraSure Technologies, Inc. (the "Company") on Form 10-Q for the quarter ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Gausling, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ronald H. Spair

Ronald H. Spair
Executive Vice President and
Chief Financial Officer
July 31, 2002