

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 2, 2006

OraSure Technologies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-16537
(Commission File Number)

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

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

18015-1360
(Zip Code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 – Entry into a Material Definitive Agreement.

OraSure Technologies, Inc. (the “Company”) and Comerica Bank (“Comerica”) are parties to a Loan and Security Agreement, dated as of September 10, 2002, as amended, pursuant to which Comerica has provided the Company with \$11.9 million in credit facilities, including a \$4.0 million revolving working capital line of credit (the “Revolving Line”), which had a maturity date of April 29, 2006. On April 27, 2006, a letter agreement, dated as of April 25, 2006, was executed by the Company and Comerica (the “Letter Agreement”) extending the maturity date of the Revolving Line to June 29, 2006. A copy of the Letter Agreement is attached as Exhibit 10 to this Form 8-K and is incorporated herein by reference.

Item 2.02 – Results of Operations and Financial Condition.

On May 2, 2006, OraSure Technologies, Inc. issued a press release announcing its financial results for the quarter ended March 31, 2006. A copy of the press release is attached as Exhibit 99 to this Form 8-K and is incorporated herein by reference.

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

<u>Exhibit Number</u>	<u>Description</u>
10	Letter Agreement, dated April 25, 2006, between OraSure Technologies, Inc. and Comerica Bank.
99	Press Release, dated May 2, 2006, announcing financial results of OraSure Technologies, Inc. for the quarter ended March 31, 2006.

Signatures

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

ORASURE TECHNOLOGIES, INC.

Date: May 2, 2006

By: */s/ Jack E. Jerrett*

Jack E. Jerrett

Senior Vice President, General Counsel and Secretary

Index to Exhibits

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10	Letter Agreement, dated April 25, 2006, between OraSure Technologies, Inc. and Comerica Bank.
99	Press Release, dated May 2, 2006, announcing financial results of OraSure Technologies, Inc. for the quarter ended March 31, 2006.

April 25, 2006

11921 Freedom Dr., Ste. 920
Reston, VA 20190
703 689-3768
Fax 703 467-9308

Ronald H. Spair
Executive Vice President & Chief Financial Officer
OraSure Technologies, Inc.
220 East First Street
Bethlehem, PA 18015-1360

RE: OraSure Technologies, Inc. ("Borrower")
Obligor Number 5793834584

Dear Ron:

Comerica Bank (the "Bank") has approved the extension of the maturity date of the above referenced credit facility as evidenced by that certain note/agreement, dated September 10, 2002 (as such may be amended, restated, modified, supplemented or revised from time to time, the "Agreement") from April 29, 2006 to June 29, 2006. Upon your execution of a counterpart of this letter, the maturity date shall be so amended.

The Agreement, as modified and amended hereby, shall be and remain in full force and effect in accordance with its respective terms and hereby is ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this modification and amendment shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Bank under the Agreement, as in effect prior to the date hereof. Borrower ratifies and reaffirms the continuing effectiveness of all promissory notes, guaranties, security agreements, mortgages, deeds of trust, environment agreements, and all other instruments, documents and agreements entered into in connection with the Agreement.

By execution of a counterpart of this letter, Borrower further represents and warrants that the representations and warranties contained in the Agreement are true and correct as of the date hereof, and that no event of default has occurred and is continuing under the Agreement or any other document, instrument or agreement entered into in connection therewith.

Sincerely,

Comerica Bank

By: /s/ Charles R. Bowman
Charles R. Bowman
Vice President

Acknowledged and accepted on April 27, 2006:

OraSure Technologies, Inc.

By: /s/ Ronald H. Spair
Name: Ronald H. Spair
Title: CFO



OraSure Technologies, Inc.

diagnostic solutions for the new millennium

Company Contact:

Ronald H. Spair
Chief Financial Officer
610-882-1820
Investorinfo@orasure.com
www.orasure.com

OraSure Technologies Announces 2006 First Quarter Results

BETHLEHEM, PA – May 2, 2006 – (BW HealthWire) – OraSure Technologies, Inc. (NASDAQ:OSUR), a market leader in oral fluid diagnostics, today announced revenues of \$15.2 million for the quarter ended March 31, 2006, compared to \$15.8 million in revenues recorded for the quarter ended March 31, 2005. Increased sales of both the Company's OraQuick® *ADVANCE*™ rapid HIV-1/2 antibody test and substance abuse testing products during the first quarter of 2006, were offset by decreased sales of the Company's cryosurgical wart removal products and decreased sales to the insurance risk assessment market.

The Company's net income was \$900,000, or \$0.02 per share on a fully-diluted basis, for the first quarter of 2006, which includes \$820,000 of stock option expense and a \$777,000 provision for income taxes. Excluding these two charges, net income for the first quarter of 2006 would have been \$2.5 million, or \$0.05 per share on a fully-diluted basis. These results compare to net income of \$1.6 million, or \$0.03 per share on a fully-diluted basis, during the first quarter of 2005, which excluded costs related to stock options and a provision for income taxes.

Gross margin in the first quarter of 2006 improved to 63% from 60% in the first quarter of 2005. Gross margin was positively affected by a more favorable sales mix and decreased scrap expense.

Operating expenses for the first quarter of 2006 increased \$470,000 to \$8.7 million, from \$8.2 million in the comparable period in 2005. This increase was primarily attributable to increased charges for stock-based compensation, partially offset by a decrease in legal fees.

"We are very pleased with the continued growth in our infectious disease and substance abuse testing businesses, which showed significant improvement in the first quarter compared to last year", said Douglas A. Michels, President and Chief Executive Officer of OraSure Technologies. "Importantly, the growth in infectious disease testing revenues was achieved despite the absence of a new bulk governmental

order for OraQuick® ADVANCE™. Improved efficiency and our continued focus on managing expenses also resulted in a \$0.02 per share improvement in net income over the first quarter of 2005, excluding stock option expenses and income taxes. We continue to believe we have the right strategies in place, and we remain optimistic that 2006 will be a very successful year.”

Cash, cash equivalents and short-term investments totaled \$79.0 million and working capital equaled \$93.1 million at March 31, 2006, compared to \$77.6 million and \$90.7 million, respectively, at December 31, 2005.

Cash flow from operations was \$2.6 million for the first quarter of 2006, up substantially from the \$521,000 achieved during the first quarter of 2005. This was the sixteenth consecutive quarter of positive cash flow from operations.

	Condensed Financial Data (In thousands, except per-share data and percentages) [Unaudited]	
	Three months ended March 31,	
	2006	2005
Results of Operations		
Revenues	\$ 15,217	\$ 15,828
Cost of products sold	5,618	6,370
Gross profit	9,599	9,458
Operating expenses:		
Research and development	1,649	1,199
Sales and marketing	4,106	3,867
General and administrative	2,958	3,177
Total operating expenses	8,713	8,243
Operating income	886	1,215
Other income (expense), net	791	346
Income tax provision	777	—
Net income	\$ 900	\$ 1,561
Basic and diluted earnings per share	\$ 0.02	\$ 0.03
Shares used in computing earnings per share:		
Basic	45,840	44,645
Diluted	48,066	45,046

Reconciliation of Non-GAAP Financial Measures	Three months ended March 31,	
	2006	2005
Net income – before charges	\$ 2,497	\$ 1,561
Stock option expense	820	—
Income tax provision	777	—
Net income – GAAP basis	<u>\$ 900</u>	<u>\$ 1,561</u>
Diluted earnings per share – before charges	\$ 0.05	\$ 0.03
Stock option expense	0.02	—
Income tax provision	0.01	—
Diluted earnings per share – GAAP basis	<u>\$ 0.02</u>	<u>\$ 0.03</u>

Revenues by Principal Markets	Dollars		%	Percentage of Total Revenues	
	2006	2005	Change	2006	2005
Infectious disease testing	\$ 6,142	\$ 5,126	20%	40%	32%
Substance abuse testing	3,442	2,925	18	23	19
Cryosurgical systems	4,458	5,578	(20)	29	35
Insurance risk assessment	1,086	2,115	(49)	7	13
	15,128	15,744	(4)	99	99
License and product development	89	84	6	1	1
Total revenues	<u>\$15,217</u>	<u>\$15,828</u>	(4)%	<u>100%</u>	<u>100%</u>

Balance Sheets	March 31,		December 31,
	2006	2005	
	<u>Assets</u>		
Cash, cash equivalents and short-term investments	\$ 78,961	\$ 77,620	
Accounts receivable, net	9,804	11,602	
Inventories	4,659	4,128	
Deferred income taxes	6,504	6,504	
Other current assets	1,929	1,554	
Property and equipment, net	6,242	5,815	
Deferred income taxes	19,546	20,204	
Other non-current assets	3,113	3,320	
Total assets	<u>\$130,758</u>	<u>\$ 130,747</u>	
	<u>Liabilities and Stockholders' Equity</u>		
Current portion of long-term debt	\$ 212	\$ 456	
Accounts payable	2,671	2,547	
Accrued expenses and other	5,843	7,734	
Long-term debt, less current portion	851	884	
Other liabilities	298	207	
Stockholders' equity	120,883	118,919	
Total liabilities and stockholders' equity	<u>\$130,758</u>	<u>\$ 130,747</u>	

Non-GAAP Financial Measures

Net income - before charges and diluted earnings per share - before charges, each exclude the impact of \$820,000 related to stock option expensing and a \$777,000 income tax provision. These financial measures should not be considered an alternative to net income or diluted earnings per share, respectively, which are indicators of operating performance determined in accordance with GAAP. OraSure Technologies believes that net income - before charges and diluted earnings per share - before charges, although non-GAAP financial measures, are also useful and meaningful to investors because they provide investors with the Company's underlying earnings performance as another criterion in making their investment decisions. OraSure's management also uses these calculations in measuring certain corporate performance goals. Other companies may use different measures to present financial information.

Conference Call

The Company will host a conference call and audio webcast today to discuss the Company's 2006 first quarter financial results, financial guidance for 2006 and major business objectives, beginning at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time). On the call will be Douglas A. Michels, President and Chief Executive Officer, and Ronald H. Spair, Chief Financial Officer. The call will include remarks by management and a question and answer session.

In order to listen to the conference call, please either dial 888-742-2024 (Domestic) or 706-643-0033 (International) or go to OraSure Technologies' web site, www.orasure.com, and click on the Investor Info link. A replay of the call will be archived on OraSure Technologies' web site shortly after the call has ended and will be available for seven days. A replay of the call can also be accessed until May 5, 2006, by dialing 800-642-1687 (Domestic) or 706-645-9291 (International) and entering the Conference ID #8345640.

About OraSure Technologies

OraSure Technologies develops, manufactures and markets oral fluid specimen collection devices and tests and other diagnostic products using its proprietary technologies, including immunoassays and other in vitro diagnostic tests and other medical devices. These products are sold in the United States and certain foreign countries to clinical laboratories, hospitals, clinics, community-based organizations and other public health organizations, distributors, government agencies, physicians' offices, and commercial and industrial entities. For more information on the Company, please visit www.orasure.com.

Important Information

This press release contains certain forward-looking statements, including with respect to revenues, net income and products. Actual results could be significantly different. Factors that could affect results include the 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 or other products and changes in market acceptance based on product performance; continued bulk purchases by customers, including governmental agencies, and the ability to fully deploy those purchases in a timely manner; ability to fund research and development and other products and operations; ability to obtain and maintain new or existing product distribution channels; reliance on sole supply sources for critical product components; availability of related products produced by third parties; ability to obtain, and timing of obtaining, necessary regulatory approvals; ability to comply with applicable regulatory requirements; history of losses and ability to achieve sustained profitability; volatility of our stock price; uncertainty relating to patent protection and potential patent infringement claims; uncertainty and costs of litigation relating to patents and other intellectual property; availability of licenses to patents or other technology; ability to enter into international manufacturing agreements; obstacles to international marketing and manufacturing of products; ability to sell products internationally; loss or impairment of sources of capital; ability to meet financial covenants in agreements with financial institutions; ability to retain qualified personnel; exposure to product liability, patent infringement, 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; customer consolidations and inventory practices; equipment failures and ability to obtain needed raw materials and components; the impact of terrorist attacks and civil unrest; ability to complete consolidation or restructuring activities; ability to identify, complete and realize the full benefits of potential acquisitions; and general political, business and economic conditions. These and other factors are discussed more fully in the Securities and Exchange Commission ("SEC") filings of OraSure Technologies, including its registration statements, its Annual Report on Form 10-K for the year ended December 31, 2005, its Quarterly Reports on Form 10-Q, and its other filings with the SEC. Although forward-looking statements help to provide complete information about future prospects, readers should keep in mind that forward-looking statements may not be reliable. The forward-looking statements are made as of the date of this press release and OraSure Technologies undertakes no duty to update these statements.

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