
**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): **July 17, 2007**

EXACT SCIENCES CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-32179
(Commission File Number)

02-0478229
(IRS Employer Identification No.)

100 Campus Drive, Marlborough, Massachusetts
(Address of Principal Executive Offices)

01752
(Zip Code)

Registrant's telephone number, including area code: **(508) 683-1200**

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 (*see* General Instruction A.2. below):

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

On July 23, 2007, EXACT Sciences Corporation (the “Company”) announced its financial and operating results for the quarter ended June 30, 2007. A copy of the press release is being furnished as Exhibit 99.1 to this Report on Form 8-K.

The information in this Item 2.02 and Exhibit 99.1 attached hereto is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 2.05 Costs Associated With Exit or Disposal Activities.

On July 18, 2007, the Company notified five employees of their termination from the Company, effective August 31, 2007, under a plan of termination described in paragraph 8 of FASB Statement of Financial Accounting Standards No. 146 “Accounting For Costs Associated With Exit or Disposal Activities,” pursuant to which charges will be incurred under generally accepted accounting principles (the “Restructuring”). The Restructuring is designed to eliminate the Company’s sales and marketing functions to reduce costs and better preserve the Company’s cash resources. The Restructuring was initiated in connection with a letter of intent between the Company and Laboratory Corporation of America Holdings (“Labcorp”) to transition responsibility for all sales and marketing activities related to Labcorp’s testing service, PreGen-Plus.

The Company estimates that the total charges for the Restructuring will range from between \$100,000 and \$800,000, relating to one-time termination benefits arising under severance agreements with each of the terminated employees. These costs are expected to be recorded in the third fiscal quarter of 2007. Because the right to receive severance payments from the Company will be dependent upon when and if the terminated employees secure employment with another employer during the defined severance period, the charges that will actually be recorded cannot be determined at this time. All of the charges will result in future cash expenditures. The Company continues to assess its facility needs and other costs and could incur additional restructuring charges, in the form of write-offs of leasehold improvements, other fixed assets or other facility charges in the event facilities are reduced.

Information contained in this Current Report on Form 8-K that relates to the Company’s anticipated expense reductions, restructuring charges, financial performance, business prospects and plans, and similar matters are “forward-looking statements” within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. These statements involve risks and uncertainties that could cause our actual results to differ materially from the future results expressed or implied by the forward-looking statements. All information set forth herein is current as of the date of this Current Report on Form 8-K. The Company undertakes no duty to update any statement in light of new information or future events except as required by applicable law. For further information regarding risks and uncertainties associated with the Company’s business, please refer to the “Risk Factors” section of the Company’s filings with the Securities and Exchange Commission, including, but not limited to, its latest annual report on Form 10-K and subsequent quarterly reports on Form 10-Q.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On July 17, 2007, the Company's President and Chief Executive Officer, Don M. Hardison, announced his intention to resign as President and Chief Executive Officer effective July 18, 2007. The Company and Mr. Hardison have agreed that Mr. Hardison will remain employed by the Company in a non-executive role as a special advisor, until August 31, 2007. Mr. Hardison also resigned from the Company's Board of Directors on July 18, 2007.

(c) On July 18, 2007, the Company appointed Patrick J. Zenner, one of its current directors, as Executive Chairman and interim Chief Executive Officer. In connection with his appointment as interim Chief Executive Officer, Mr. Zenner has stepped down from his position as a member of the Company's Compensation Committee. Mr. Zenner continues to serve as a member of the Company's Board of Directors. At this time, the details of Mr. Zenner's employment arrangement have not been determined. Mr. Zenner, age 60, has been a director of the Company since March 2003. Mr. Zenner served as interim Chief Executive Officer of Curagen Corporation from May 2005 to March 2006. In January 2001, Mr. Zenner retired from Hoffmann-La Roche Inc., North America, the prescription drug unit of the Roche Group, a leading research-based health care enterprise, where he served as President and Chief Executive Officer since 1993. Mr. Zenner joined Hoffman-La Roche Inc. in 1969 and held a number of domestic and international management positions at the company prior to becoming Chief Executive Officer in 1993. Mr. Zenner holds a BS in business administration from Creighton University and an MBA from Fairleigh Dickinson University and is a Trustee of both universities.

On July 18, 2007, the Company promoted Jeffrey R. Luber to President, to serve until his successor is duly elected and qualified or until his earlier resignation or removal. Mr. Luber, age 40, served as Senior Vice President, Chief Financial Officer and Treasurer since April 28, 2006, and as General Counsel and Secretary since November 2002. From February 2000 to November 2002, Mr. Luber served as Vice President of Finance and Administration, Legal Counsel and Secretary for Kaon Interactive Inc. From March 1999 to February 2000, Mr. Luber was General Counsel for Community Rehab Centers, a private outpatient physical therapy company with operations in several states. From December 1996 to March 1999, Mr. Luber was employed by Concentra Managed Care, Inc., a publicly-traded nationwide provider of managed care services, most recently as Assistant Vice President and Associate General Counsel. Mr. Luber received his BS in business administration from Southern Connecticut State University, and his J.D. and M.B.A. from Suffolk University.

On July 18, 2007, the Company promoted Charles R. Carelli, Jr. to Senior Vice President, Chief Financial Officer, Treasurer and Secretary, to serve until his successor is duly elected and qualified or until his earlier resignation or removal. Mr. Carelli, age 36, served as Vice President Finance since April 13, 2006, and as Controller and principal accounting officer from November 9, 2004 to April 12, 2006. Mr. Carelli served as Controller from August 1999 to April 2004 and as Director of Finance from April 2004 to November 2004 at Alkermes, Inc., a publicly-traded pharmaceutical company. From 1997 to 1999, Mr. Carelli served in various financial roles at Creative BioMolecules, Inc., a publicly traded biotechnology company. From 1993 to 1997, Mr. Carelli was employed by Deloitte & Touche LLP. Mr. Carelli is a Certified Public Accountant and holds a BA in Accounting from Assumption College.

On July 18, 2007, the Company promoted David W. Nikka to Chief Operating Officer, to serve until his successor is duly elected and qualified or until his earlier resignation or removal. Mr. Nikka, age 52, has served as Senior Vice President, Corporate Development since July 21, 2006 and as Vice President, Resources and Development from June 2001 to July 2006. Mr. Nikka served as Vice President, Strategic Development from 2000 to 2001 and as Vice President, Human Resources from 1997 to 2000 at Abiomed, Inc., a publicly-traded cardiovascular medical device company. From 1989 to 1997, Mr. Nikka was employed by Genzyme Corporation in several positions including Vice President, Site Manager for Genetic Design, a paternity and identity testing laboratory and Vice President, Human Resources of Genzyme Genetics. Mr. Nikka holds a Bachelors Degree from Boston University.

Item 8.01 Other Events.

On July 20, 2007, the Company adjourned its annual meeting of stockholders to August 10, 2007.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

99.1 Press Release issued by the registrant on July 23, 2007, furnished herewith.

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 hereunto duly authorized.

EXACT Sciences Corporation

July 23, 2007

By: /s/ Charles R. Carelli, Jr.
Charles R. Carelli, Jr.
Senior Vice President, Chief Financial
Officer, Treasurer and Secretary

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release issued by the registrant on July 23, 2007, furnished herewith.



Press Release

For further information:

Jeffrey R. Luber
President
EXACT Sciences Corporation
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EXACT SCIENCES ANNOUNCES SECOND QUARTER 2007 RESULTS

MARLBOROUGH, Mass — (July 23, 2007) — EXACT Sciences Corporation (NASDAQ: EXAS) announced today its financial results for the second quarter ended June 30, 2007.

Net loss for the quarter ended June 30, 2007 decreased to \$1.8 million, or \$0.07 per share, from \$3.2 million, or \$0.12 per share, for the same quarter last year. The reduction in net loss was driven by a significant decrease in sales and marketing and applied research expenses following the cost reduction plan initiated by the Company in late 2006. This plan included a reduction in headcount resulting in lower salary and benefit-related costs, stock-based compensation expenses and other operating costs.

For the quarter ended June 30, 2007, total revenues of \$1.1 million were slightly lower than total revenues of \$1.2 million for the quarter ended June 30, 2006. These revenues primarily reflect the amortization of up-front license fee payments from Laboratory Corporation of America® Holdings (LabCorp®) and, to a lesser extent, royalties on LabCorp's sales of PreGen-Plus™ (LabCorp's colon cancer testing service) and sales of Effipure™ units to LabCorp. The decrease in total revenues was the result of lower Effipure revenue and lower royalty revenue from LabCorp's sales of PreGen-Plus.

As previously announced on July 19, 2007, the Company entered into a letter of intent to further expand its relationship with LabCorp. Under the proposed terms, LabCorp will assume sole responsibility, at its expense, for all commercial activities including marketing, sales, and reimbursement related to PreGen-Plus. In connection with this expanded relationship, the Company initiated a plan to reduce its cost structure by eliminating its sales and marketing functions, including the elimination of five sales and marketing positions, effective August 31, 2007. The Company also announced the departure of its Chief Executive Officer, Don M. Hardison, and the appointment of Patrick Zenner as Executive Chairman and Interim Chief Executive Officer, as well as the promotions of Jeffrey R. Luber, Charles Carelli and David Nikka to President, Chief Financial Officer and Chief Operating Officer, respectively.

“Our June 2007 amendment combined with our proposed expanded relationship with LabCorp that we announced last week, positions EXACT to leverage what we believe will a positive decision to include stool-based DNA (sDNA) screening in the updated national

colorectal cancer screening guidelines,” said Patrick Zenner, EXACT Sciences’ Executive Chairman and Interim Chief Executive Officer. “In addition, this new relationship will enable EXACT to focus on reducing expenses while achieving near-term objectives, including advancing its Version 2 technology and pursuing other licensing opportunities for sDNA.”

Once fully implemented, EXACT Sciences estimates that the elimination of its sales and marketing functions, along with the transition of Don Hardison to LabCorp, could result in salary, fringe benefit, and other cost savings of between \$1.0 million and \$1.5 million annually beginning in 2008.

Estimated restructuring charges of up to \$800,000 are expected to be recorded in the third quarter of 2007 in connection with one-time employee termination benefits, including severance, outplacement and other fringe benefits. All of the charges will result in future cash expenditures. Additionally, the Company is actively pursuing efforts to further reduce its costs, including its facility costs, and may record additional restructuring charges related to such reductions.

For the quarter ended June 30, 2007, 476 PreGen-Plus tests were accessioned by LabCorp, compared to 542 and 1,069 for the quarters ended March 31, 2007 and June 30, 2006, respectively. As of June 30, 2007, the Company had approximately \$16.9 million in unrestricted cash, cash equivalents and marketable securities.

Second Quarter 2007 Conference Call

EXACT Sciences will host a conference call to discuss its second quarter 2007 financial and operating results, its business outlook and the topics outlined below on Tuesday, July 24, 2007 at 8:30 a.m. ET. A live web cast of the conference call can be accessed at EXACT Sciences’ web site, www.exactsciences.com, through the Investor Relations link. The conference call and the web cast are open to all interested parties. An archived version of the web cast will be available at www.exactsciences.com, through the Investor Relations link, for one month. A replay of the conference call also will be available for 48 hours, beginning two hours after the completion of the live call.

The following will be among the topics discussed on the Company’s conference call on July 24, 2007 at 8:30 a.m. ET:

- The amended and expanded LabCorp agreement and financial impact;
- Management changes at EXACT Sciences;
- EXACT’s future focus; and
- The financial impact of recent sales and marketing cost reductions.

Information for the call is as follows:

Domestic callers: 800-435-1398
International callers: 617-614-4078
Participant Passcode: 40039246

The conference call replay information is as follows:

Domestic callers: 888-286-8010

International callers: 617-801-6888

Participant Passcode: 36268388

About EXACT Sciences Corporation

EXACT Sciences Corporation uses applied genomics to develop effective, patient-friendly screening technologies for use in the detection of cancer. Certain of its technologies have been licensed to Laboratory Corporation of America Holdings (LabCorp) for a stool-based DNA screening assay for colorectal cancer in the average-risk population. Colorectal cancer, which is the most deadly cancer among non-smokers, is generally curable if detected early. Despite the availability of colorectal cancer screening and diagnostic tests for more than 20 years, the rate of early detection of colorectal cancer remains low, and deaths from colorectal cancer remain high. EXACT Sciences believes its genomics-based technologies will help enable detection of colorectal cancer so that more people can be effectively treated. EXACT Sciences is based in Marlborough, Mass. PreGen-Plus™, the non-invasive colorectal screening test offered by LabCorp has not been approved or cleared by the Food & Drug Administration.

Certain statements made in this press release that are not based on historical information are express or implied forward-looking statements relating to, among other things, EXACT Sciences' expectations concerning, among other things, its financial performance, business prospects and plans, the likelihood and timing of any guidelines decision by the American Cancer Society and U.S. Multi-Society Task Force on Colorectal Cancer and similar matters. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond EXACT Sciences' control, and which could cause actual results to differ materially from those contemplated in these forward-looking statements. In particular, the risks and uncertainties include, among other things, the clinical performance and market acceptance of its technologies; the reproducibility of its research results in subsequent studies and in clinical practice; the inclusion of PreGen-Plus in cancer screening guidelines; sufficient investment in the sales and marketing of PreGen-Plus; the success of its strategic relationship with LabCorp; EXACT Sciences' and LabCorp's ability to license certain technologies or obtain raw materials for its technologies; the ability to convince Medicare and other third-party payors to provide adequate reimbursement for EXACT Sciences' current and future technologies; the ability to convince medical practitioners to order tests using EXACT Sciences' technologies; the ability to increase the performance of the PreGen-Plus test; the ability of EXACT Sciences or LabCorp to lower the cost of the PreGen-Plus test through automating and simplifying key operational processes; the number of people who decide to be screened for colorectal cancer using EXACT Sciences' technologies; the ability to realize expected cost savings; competition; the ability to comply with federal and state statutes and regulations relating to EXACT Sciences' products and services, including FDA requirements; the ability to protect EXACT Sciences' intellectual property and the cost of enforcing or defending EXACT Sciences in litigation relating to intellectual property rights; the possibility that other companies will develop and market novel or improved methods for detecting colorectal cancer; and the ability to raise additional capital on acceptable terms. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. EXACT Sciences undertakes no obligation to update or revise the information contained in this press release, whether as a result of new information, future events or circumstances or otherwise. For additional disclosure regarding these and other risks faced by EXACT Sciences, see the disclosure contained in EXACT Sciences' public filings with the Securities and Exchange Commission including, without limitation, its most recent Annual Report on Form 10-K filed with the SEC.

(tables follow)

EXACT SCIENCES CORPORATION
Selected Unaudited Financial Information
Condensed Consolidated Statements of Operation Data

In thousands, except per share data	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Revenue:				
Product royalty fees	\$ 19	\$ 61	\$ 45	\$ 122
License fees	1,091	1,091	2,182	2,182
Product	<u>5</u>	<u>69</u>	<u>58</u>	<u>111</u>
	1,115	1,221	2,285	2,415
Gross profit (loss):				
Product royalty fees	18	57	42	114
License fees	1,091	1,091	2,182	2,182
Product	<u>5</u>	<u>(20)</u>	<u>58</u>	<u>(562)</u>
	1,114	1,128	2,282	1,734
Operating Expenses:				
Research and development (1)	1,332	1,918	2,609	3,878
Sales and marketing (1)	510	1,272	1,005	2,758
General and administrative (1)	1,337	1,497	2,879	3,138
Restructuring	<u>(2)</u>	<u>—</u>	<u>31</u>	<u>—</u>
	3,177	4,687	6,524	9,774
Loss from operations	(2,063)	(3,559)	(4,242)	(8,040)
Interest income	<u>238</u>	<u>313</u>	<u>497</u>	<u>631</u>
Net loss	<u>\$ (1,825)</u>	<u>\$ (3,246)</u>	<u>\$ (3,745)</u>	<u>\$ (7,409)</u>
Net loss per share - basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.12)</u>	<u>\$ (0.14)</u>	<u>\$ (0.28)</u>
Weighted average common shares outstanding - basic and diluted				
	<u>26,880</u>	<u>26,402</u>	<u>26,835</u>	<u>26,389</u>

(1) Non-cash stock-based compensation expense included in these amounts are as follows:

Research and development	\$ 357	\$ 103	\$ 431	\$ 368
Sales and marketing	127	300	244	707
General and administrative	237	306	454	702

EXACT SCIENCES CORPORATION
Condensed Consolidated Unaudited Balance Sheet Data
(In thousands)

	June 30, 2007	December 31, 2006
Assets		
Unrestricted cash and cash equivalents	\$ 3,835	\$ 4,831
Short-term investments	13,108	16,244
Prepaid expenses	356	386
Property and equipment, net	736	844
Patent costs, net of accumulated amortization	557	763
Restricted cash	800	800
Total assets	<u>\$ 19,392</u>	<u>\$ 23,868</u>
Liabilities and stockholders' equity		
Total current liabilities	\$ 3,464	\$ 6,365
Deferred licensing fees, less current portion	3,376	2,545
Total stockholders' equity	<u>12,552</u>	<u>14,958</u>
Total liabilities and stockholders' equity	<u>\$ 19,392</u>	<u>\$ 23,868</u>

This selected financial information should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, and the Company's subsequent Forms 10-Q.

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