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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2012

OR

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

Commission File Number: 000-32179

EXACT SCIENCES CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	**02-0478229**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
441 Charmany Drive, Madison WI	**53719**
(Address of principal executive offices)	(Zip Code)

(608) 284-5700 (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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 2, 2012, the registrant had 57,141,155 shares of common stock outstanding.

EXACT SCIENCES CORPORATION

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EXACT SCIENCES CORPORATION
Condensed Balance Sheets
(Amounts in thousands, except share data - unaudited)

	March 31, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 12,292	$ 35,781
Marketable securities	71,244	57,580
Prepaid expenses and other current assets	1,918	1,034
Total current assets	85,454	94,395
Property and Equipment, at cost:		
Laboratory equipment	2,459	2,314
Office and computer equipment	779	729
Leasehold improvements	288	288
Furniture and fixtures	23	23
	3,549	3,354
Less—Accumulated depreciation	(998)	(796)
	2,551	2,558
	$ 88,005	$ 96,953
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 949	$ 765
Accrued expenses	2,600	3,069
Deferred license fees, current portion	4,143	4,143
Total current liabilities	7,692	7,977
Long-term debt	1,000	1,000
Long-term accrued interest	47	42
Deferred license fees, less current portion	3,403	4,439
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.01 par value		
Authorized—5,000,000 shares		
Issued and outstanding—no shares at March 31, 2012 and December 31, 2011	—	—
Common stock, $0.01 par value		
Authorized—100,000,000 shares		
Issued and outstanding—57,109,496 and 56,624,763 shares at March 31, 2012 and December 31, 2011	571	566
Additional paid-in capital	307,740	304,767
Other comprehensive income (loss)	21	(14)
Accumulated deficit	(232,469)	(221,824)
Total stockholders' equity	75,863	83,495
	$ 88,005	$ 96,953

The accompanying notes are an integral part of these condensed financial statements.

EXACT SCIENCES CORPORATION
Condensed Statements of Operations
(Amounts in thousands, except per share data - unaudited)

	Three Months Ended March 31,	
	2012	2011
Revenue:		
Product royalty fees	$ —	$ 4
License fees	1,036	1,036
	1,036	1,040
Cost of revenue:		
Product royalty fees	—	6
Gross profit	1,036	1,034
Operating expenses:		
Research and development	8,999	2,989
General and administrative	2,145	2,150
Sales and marketing	594	297
	11,738	5,436
Loss from operations	(10,702)	(4,402)
Interest income	62	34
Interest expense	(5)	(5)
Net loss	$ (10,645)	$ (4,373)
Net loss per share—basic and diluted	$ (0.19)	$ (0.08)
Weighted average common shares outstanding—basic and diluted	56,718	51,930

The accompanying notes are an integral part of these condensed financial statements.

EXACT SCIENCES CORPORATION
Condensed Statements of Comprehensive Loss

(In thousands)	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Net loss	$ (10,645)	$ (4,373)
Other comprehensive income (loss), net of tax:		
Unrealized gains on securities:		
Unrealized holding gain on marketable securities	35	2
Other comprehensive income	35	2
Comprehensive income (loss)	$ (10,610)	$ (4,371)

The accompanying notes are an integral part of these condensed financial statements.

EXACT SCIENCES CORPORATION
Condensed Statements of Cash Flows
(Amounts in thousands, except share data - unaudited)

	Three Months Ended March 31,	
	2012	2011
Cash flows from operating activities:		
Net loss	$ (10,645)	$ (4,373)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property and equipment	202	67
Stock-based compensation	1,035	686
Amortization of deferred license fees	(1,036)	(1,036)
Warrant licensing expense	27	27
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(884)	(222)
Accounts payable	184	(208)
Accrued expenses	(195)	(399)
Accrued interest	5	5
Net cash used in operating activities	(11,307)	(5,453)
Cash flows from investing activities:		
Purchases of marketable securities	(29,963)	(2,493)
Maturities of marketable securities	16,334	1,498
Purchases of property and equipment	(195)	(245)
Net cash used in investing activities	(13,824)	(1,240)
Cash flows from financing activities:		
Proceeds from exercise of common stock options and stock purchase plan	1,642	14
Net cash provided by financing activities	1,642	14
Net decrease in cash and cash equivalents	(23,489)	(6,679)
Cash and cash equivalents, beginning of period	35,781	78,752
Cash and cash equivalents, end of period	$ 12,292	$ 72,073
Supplemental disclosure of non-cash investing and financing activities:		
Unrealized loss on available-for-sale investments	$ (35)	$ (2)
Issuance of 32,872 and 27,872 shares of common stock to fund the Company's 401(k) matching contribution for 2011 and 2010, respectively	$ 274	$ 169

The accompanying notes are an integral part of these condensed financial statements.

EXACT SCIENCES CORPORATION

Notes to Condensed Financial Statements
(Unaudited)

(1) ORGANIZATION AND BASIS OF PRESENTATION

Organization

Exact Sciences Corporation ("Exact," "we," "us" or the "Company") was incorporated in February 1995. Exact is a molecular diagnostics company focused on the early detection and prevention of colorectal cancer. The Company's non-invasive stool-based DNA (sDNA) screening technology includes proprietary and patented methods that isolate and analyze human DNA present in stool to screen for the presence of colorectal pre-cancer and cancer.

Basis of Presentation

The accompanying condensed financial statements of the Company are unaudited and have been prepared on a basis substantially consistent with the Company's audited financial statements and notes as of and for the year ended December 31, 2011 included in the Company's Annual Report on Form 10-K. These condensed financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and follow the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. In the opinion of management, all adjustments (consisting only of adjustments of a normal and recurring nature) considered necessary for a fair presentation of the results of operations have been included. The results of the Company's operations for any interim period are not necessarily indicative of the results of the Company's operations for any other interim period or for a full fiscal year. The statements should be read in conjunction with the audited financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2011 (the "2011 Form 10-K").

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers cash on hand, demand deposits in bank, money market funds, and all highly liquid investments with an original maturity of 90 days or less to be cash and cash equivalents. The Company had no restricted cash at March 31, 2012 and December 31, 2011.

Marketable Securities

Management determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Debt securities carried at amortized cost are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Marketable equity securities and debt securities not classified as held-to-maturity are classified as available-for-sale. Available-for-sale securities are carried at fair value, with the unrealized gains and losses, net of tax, reported in other comprehensive income. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity computed under the straight-line method. Such amortization is included in investment income. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in interest income. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in interest income.

At March 31, 2012 and December 31, 2011, the Company's investments were comprised of fixed income investments and all were deemed available-for-sale. The objectives of the Company's investment strategy are to provide liquidity and safety of principal while striving to achieve the highest rate of return consistent with these two objectives. The Company's investment policy limits investments to certain types of instruments issued by institutions with investment grade credit ratings and places restrictions on maturities and concentration by type and issuer. All of the Company's investments are considered current. There were no realized losses for the three months ended March 31, 2012. Realized losses for the three months ended March 31, 2011 were $477. Realized gains for the three months ended March, 31, 2012 were $2,528. There were no realized gains for the three months ended March 31, 2011. Unrealized gains or losses on investments are recorded in other comprehensive income.

Available-for-sale securities at March 31, 2012 consist of the following:

	March 31, 2012			
(In thousands)	Amortized Cost	Gains in Accumulated Other Comprehensive Income	Losses in Accumulated Other Comprehensive Income	Estimated Fair Value
U.S. government agency securities	$ 29,344	$ —	$ (12)	$ 29,332
Corporate bonds	28,812	32	—	28,844
Certificates of deposit	11,568	—	1	11,569
Commercial paper	1,499	—	—	1,499
Total available-for-sale securities	$ 71,223	$ 32	$ (11)	$ 71,244

Available-for-sale securities at December 31, 2011 consist of the following:

	December 31, 2011			
(In thousands)	Amortized Cost	Gains in Accumulated Other Comprehensive Income	Losses in Accumulated Other Comprehensive Income	Estimated Fair Value
U.S. government agency securities	$ 28,004	$ —	$ (10)	$ 27,994
Corporate bonds	19,124	—	(2)	19,122
Certificates of deposit	9,467	—	(2)	9,465
Commercial paper	999	—	—	999
Total available-for-sale securities	$ 57,594	$ —	$ (14)	$ 57,580

Net Loss Per Share

Basic net loss per common share was determined by dividing net loss applicable to common stockholders by the weighted average common shares outstanding during the period. Basic and diluted net loss per share is the same because all outstanding common stock equivalents have been excluded, as they are anti-dilutive as a result of the Company's losses.

The following potentially issuable common shares were not included in the computation of diluted net loss per share because they would have an anti-dilutive effect due to net losses for each period:

	March 31,	
(In thousands)	2012	2011
Shares issuable upon exercise of stock options	6,445	6,714
Shares issuable upon exercise of outstanding warrants (1)	325	825
Shares of restricted stock awards outstanding	884	528
	7,654	8,067

(1) At March 31, 2012, represents warrants to purchase 250,000 shares of common stock issued under a licensing agreement and warrants to purchase 75,000 shares of common stock issued under a consulting agreement. At March 31, 2011, represents warrants to purchase 750,000 shares of common stock issued under a licensing agreement and warrants to purchase 75,000 shares of common stock issued under a consulting agreement.

Revenue Recognition

License fees. License fees for the licensing of product rights are recorded as deferred revenue upon receipt of cash and recognized as revenue on a straight-line basis over the license period. As more fully described in the 2011 Form 10-K, in connection with our January 2009 strategic transaction with Genzyme Corporation, Genzyme agreed to pay us a total of $18.5 million, of which $16.65 million was paid on January 27, 2009 and $1.85 million was subject to a holdback by Genzyme to satisfy certain potential indemnification obligations in exchange for the assignment and licensing of certain intellectual property to Genzyme. The Company's on-going performance obligations to Genzyme under the Collaboration, License and Purchase Agreement (the "CLP Agreement"), as described below, including its obligation to deliver through licenses certain intellectual property improvements to Genzyme, if improvements are made during the initial five-year collaboration period, were deemed to be undelivered elements of the CLP Agreement on the date of closing. Accordingly, the Company deferred the initial $16.65 million in cash received at closing and is amortizing that up-front payment on a straight-line basis into revenue over the initial five-year collaboration period ending in January 2014. The Company received the first holdback amount of $962,000, which included accrued interest due, from Genzyme during the first quarter of 2010. The Company received the second holdback amount of $934,250 which included accrued interest due, from Genzyme during the third quarter of 2010. The amounts were deferred and are being amortized on a straight-line basis into revenue over the remaining term of the collaboration at the time of receipt.

In addition, Genzyme purchased 3,000,000 shares of common stock from the Company on January 27, 2009 for $2.00 per share, representing a premium of $0.51 per share above the closing price of the Company's common stock on that date of $1.49 per share. The aggregate premium paid by Genzyme over the closing price of the Company's common stock on the date of the transaction of $1.53 million is deemed to be a part of the total consideration for the CLP Agreement. Accordingly, the Company deferred the aggregate $1.53 million premium and is amortizing that amount on a straight-line basis into revenue over the initial five-year collaboration period ending in January 2014.

The Company recognized approximately $1.0 million in license fee revenue in connection with the amortization of the up-front payments from Genzyme, during the three months ended March 31, 2012 and March 31, 2011.

(3) MAYO LICENSING AGREEMENT

Overview

On June 11, 2009, the Company entered into a license agreement (the "License Agreement") with MAYO Foundation for Medical Education and Research ("MAYO"). Under the License Agreement, MAYO granted the Company an exclusive, worldwide license within the field (the "Field") of stool or blood based cancer diagnostics and screening (excluding a specified proteomic target) with regard to certain MAYO patents, and a non-exclusive worldwide license within the Field with regard to certain MAYO know-how. The licensed patents cover advances in sample processing, analytical testing and data analysis associated with non-invasive, stool-based DNA screening for colorectal cancer. Under the License Agreement, the Company assumes the obligation and expense of prosecuting and maintaining the licensed patents and is obligated to make commercially reasonable efforts to bring products covered by the licenses to market. Pursuant to the License Agreement, the Company granted MAYO two common stock purchase warrants with an exercise price of $1.90 per share covering 1,000,000 and 250,000 shares of common stock, respectively. The Company is also required to make payments to MAYO for up-front fees, fees once certain milestones are reached by the Company, and other payments as outlined in the agreement. In addition to the license to intellectual property owned by MAYO, the Company will receive product development and research and development efforts from MAYO personnel. The Company determined that the payments made for intellectual property should not be capitalized as the future economic benefit derived from the transactions is uncertain. The Company is also liable to make royalty payments to MAYO on potential future net sales of any products developed from the licensed technology.

Warrants

The warrants granted to MAYO were valued based on a Black-Scholes pricing model at the date of the grant. The warrants were granted with an exercise price of $1.90 per share of common stock. The grant to purchase 1,000,000 shares was immediately exercisable and the grant to purchase 250,000 shares vests and becomes exercisable over a four year period. The total value of the warrants was calculated to be $2.1 million and a non-cash charge of $1.7 million was recognized as research and development expense in the second quarter of 2009 and the remaining $0.4 million non-cash charge is being recognized straight-line over the four year vesting period.

In March of 2010, MAYO partially exercised its warrant covering 1,000,000 shares by utilizing the cashless exercise provision contained in the warrant. As a result of this exercise for a gross amount of 200,000 shares, in lieu of paying a cash exercise price, MAYO forfeited its rights with respect to 86,596 shares leaving it with a net amount of 113,404 shares.

In September of 2010, MAYO partially exercised this warrant by utilizing the cashless exercise provision contained in the warrant. As a result of this exercise for a gross amount of 300,000 shares, in lieu of paying a cash exercise price, MAYO forfeited its rights with respect to 97,853 shares leaving it with a net amount of 202,147 shares.

In June of 2011, MAYO partially exercised this warrant by utilizing the cashless exercise provision contained in the warrant. As a result of this exercise for a gross amount of 250,000 shares, in lieu of paying a cash exercise price, MAYO forfeited its rights with respect to 60,246 shares leaving it with a net amount of 189,754 shares.

In September 2011, MAYO partially exercised this warrant by utilizing the cashless exercise provision contained in the warrant. As a result of this exercise for a gross amount of 250,000 shares, in lieu of paying a cash exercise price, MAYO forfeited its right with respect to 56,641 shares leaving it with a net amount of 193,359 shares. Following this exercise, the warrant covering 1,000,000 shares was fully exercised.

Royalty Payments

The Company will make royalty payments to MAYO based on a percentage of net sales of products developed from the licensed technology starting in the third year of the agreement. Minimum royalty payments will be $10,000 in 2012 and $25,000 per year thereafter through 2029, the year the last patent expires.

Other Payments

Other payments under the MAYO agreement include an upfront payment of $80,000, a milestone payment of $250,000 on the commencement of patient enrollment in FDA trials for the Company's Cologuard pre-cancer and cancer screening test, and a $500,000 payment upon FDA approval of the Company's Cologuard test. The upfront payment of $80,000 was made in the third quarter of 2009 and expensed to research and development in the second quarter of 2009. The Company began enrollment in its FDA trial in June of 2011 and the milestone payment of $250,000 was made in June of 2011. It is uncertain as to when the FDA will approve the Company's Cologuard test. Therefore, the $500,000 milestone payment has not been recorded as a liability. The Company periodically evaluates the status of the FDA trial.

In addition, the Company is making payments to MAYO for research and development efforts. During the three months ended March 2012, the Company made payments of $0.2 million and at March 31, 2012 the Company recorded an estimated liability in the amount of $0.1million for research and development efforts. During the three months ended March 2011, the Company made payments of $0.5 million and at March 31, 2011 the Company recorded an estimated liability in the amount of $0.2 million for research and development efforts.

(4) STOCK-BASED COMPENSATION

Stock-Based Compensation Plans

The Company maintains the 2010 Omnibus Long-Term Incentive Plan, the 2010 Employee Stock Purchase Plan, the 2000 Stock Option and Incentive Plan and the 2000 Employee Stock Purchase Plan (collectively, the "Stock Plans").

Stock-Based Compensation Expense

The Company recorded $1.0 million in stock-based compensation expense during the three months ended March 31, 2012 in connection with the amortization of restricted stock and restricted stock unit awards, stock purchase rights granted under the Company's employee stock purchase plan and stock options granted to employees and non-employee directors. The Company recorded $0.7 million in stock-based compensation expense during the three months ended March 31, 2011 in connection with the amortization of restricted stock and restricted stock unit awards, stock purchase rights granted under the Company's employee stock purchase plan and stock options granted to employees and non-employee directors.

Determining Fair Value

Valuation and Recognition - The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model based on the assumptions in the table below. The estimated fair value of employee stock options is recognized to expense using the straight-line method over the vesting period.

Expected Term - The Company uses the simplified calculation of expected life, described in the SEC's Staff Accounting Bulletins 107 and 110, as the Company does not currently have sufficient historical exercise data on which to base an estimate of expected life. Using this method, the expected life is determined using the average of the vesting period and the contractual life of the stock options granted.

Expected Volatility - Expected volatility is based on the Company's historical stock volatility data over the expected term of the awards.

Risk-Free Interest Rate - The Company bases the risk-free interest rate used in the Black-Scholes valuation method on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent expected term.

Forfeitures - The Company records stock-based compensation expense only for those awards that are expected to vest. A forfeiture rate is estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates.

The fair value of each restricted stock and restricted stock unit award is determined on the date of grant using the closing stock price on that day. The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model based on the assumptions in the following table.

	Three Months Ended March 31,	
	2012	2011
Option Plan Shares		
Risk-free interest rates	0.84%	2.0%-2.3%
Expected term (in years)	6	6
Expected volatility	91.6%	92.2%-92.3%
Dividend yield	0%	0%
Weighted average fair value per share of options granted during the period	$ 6.84	$ 4.25
ESPP Shares		
Risk-free interest rates	(1)	(1)
Expected term (in years)	(1)	(1)
Expected volatility	(1)	(1)
Dividend yield	(1)	(1)
Weighted average fair value per share of options granted during the period	(1)	(1)

(1) The Company did not issue stock purchase rights under its 2000 Employee Stock Purchase Plan or its 2010 Employee Stock Purchase Plan during the period indicated.

Stock Option and Restricted Stock Activity

A summary of stock option activity under the Stock Plans during the three months ended March 31, 2012 is as follows:

Options	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (1)
(Aggregate intrinsic value in thousands)				
Outstanding, January 1, 2012	6,453,644	$ 2.27	7.2	
Granted	440,500	$ 9.07		
Exercised	(443,154)	$ 3.71		
Forfeited	(6,250)	$ 4.46		
Outstanding, March 31, 2012	6,444,740	$ 2.63	7.2	$ 55,147
Exercisable, March 31, 2012	3,862,416	$ 1.75	6.7	$ 36,517
Vested and expected to vest, March 31, 2012	6,444,740	$ 2.63	7.2	$ 55,147

(1) The aggregate intrinsic value of options outstanding, exercisable and vested and expected to vest is calculated as the difference between the exercise price of the underlying options and the market price of the Company's common stock for options that had exercise prices that were lower than the $11.16 market price of the Company's common stock at March 31, 2012.

As of March 31, 2012, there was $12.9 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under all Stock Plans. Total unrecognized compensation cost will be adjusted for future changes in forfeitures. The Company expects to recognize that cost over a weighted average period of 2.95 years.

A summary of restricted stock and restricted stock unit activity under the Stock Plans during the three months ended March 31, 2012 is as follows:

	Restricted Shares	Weighted Average Grant Date Fair Value
Outstanding, January 1, 2012	401,490	$ 6.24
Granted	519,000	$ 9.38
Released	(35,037)	$ 4.84
Forfeited	(1,875)	$ 5.61
Outstanding, March 31, 2012	883,578	$ 8.14

During the first quarter of 2012, the Company granted a total of 262,500 restricted stock units to certain executives that will vest based upon the satisfaction of certain service and performance conditions. The performance condition is based on the Company meeting certain performance targets in 2012. The Company performed an evaluation of internal and external factors, and determined the number of shares that are most likely to vest based on the probability of what performance conditions will be met. The expense for the fair value of the awards that are expected to vest, is being recognized ratably over the vesting period.

(5) FAIR VALUE MEASUREMENTS

The FASB has issued authoritative guidance which requires that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. This guidance was adopted in 2009 for non-financial assets and liabilities. Under the standard, fair value measurements are separately disclosed by level within the fair value hierarchy. The fair value hierarchy established and prioritizes the inputs used to measure fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that reflect the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The three levels of the fair value hierarchy established are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 Unobservable inputs that reflect the Company's assumptions about the assumptions that market participants would use in pricing the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available.

Fixed-income securities and mutual funds are valued using a third party pricing agency. The valuation is based on observable inputs including pricing for similar assets and other observable market factors. There has been no material change from period to period.

The following table presents the Company's fair value measurements as of March 31, 2012 along with the level within the fair value hierarchy in which the fair value measurements in their entirety fall. Amounts in the table are in thousands.

Description	Fair Value at March 31, 2012	Fair Value Measurement at March 31, 2012 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Available-for-Sale				
Marketable securities				
U.S. governement agency securities	$ 29,332	$ —	$ 29,332	$ —
Corporate bonds	28,844	—	28,844	—
Certificates of deposit	11,569	—	11,569	—
Commercial paper	1,499	—	1,499	—
Total	$ 71,244	$ —	$ 71,244	$ —

The following table presents the Company's fair value measurements as of December 31, 2011 along with the level within the fair value hierarchy in which the fair value measurements in their entirety fall. Amounts in the table are in thousands.

Description	Fair Value at December 31, 2011	Fair Value Measurement at December 31, 2011 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Available-for-Sale				
Marketable securities				
U.S. government agency securities	$ 27,994	$ —	$ 27,994	$ —
Certificates of deposit	9,465	—	9,465	—
Corporate bonds	19,122	—	19,122	—
Commercial paper	999	—	999	—
Total	$ 57,580	$ —	$ 57,580	$ —

(6) INCOME TAXES

The Company is subject to taxation in the U.S. and various state jurisdictions. All of the Company's tax years are subject to examination by the U.S. and state tax authorities due to the carryforward of unutilized net operating losses.

Under financial accounting standards, deferred tax assets or liabilities are computed based on the differences between the financial statement and income tax bases of assets and liabilities using the enacted tax rates. Deferred income tax expense or benefit represents the change in the deferred tax assets or liabilities from period to period.

A valuation allowance to reduce the deferred tax assets is reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has incurred significant losses since its inception and due to the uncertainty of the amount and timing of future taxable income, management has determined that a full valuation allowance at March 31, 2012 is necessary to reduce the tax assets to the amount that is more likely than not to be realized. Due to the existence of the valuation allowance, future changes in our unrecognized tax benefits will not impact the Company's effective tax rate.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. At March 31, 2012 the Company had no unrecognized tax benefits, nor are there any tax positions where it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the 12 months following March 31, 2012.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of the financial condition and results of operations of Exact Sciences Corporation should be read in conjunction with the condensed financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2011, which has been filed with the SEC (the "2010 Form 10-K").

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, that are intended to be covered by the "safe harbor" created by those sections. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "estimate," "anticipate" or other comparable terms. Forward-looking statements in this Quarterly Report on Form 10-Q may address the following subjects among others: statements regarding the sufficiency of our capital resources, expected operating losses, anticipated results of our pivotal clinical trial, expected license fee revenues, expected research and development expenses, expected general and administrative expenses and our expectations concerning our business strategy. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, as a result of various factors including those risks and uncertainties described in the Risk Factors and in Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our Annual Report on Form 10-K for the year ended December 31, 2011 and our subsequently filed Quarterly Reports on Form 10-Q. We urge you to consider those risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Except as otherwise required by the federal securities laws, we disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Overview

Exact Sciences Corporation is a molecular diagnostics company focused on the early detection and prevention of colorectal cancer. We have exclusive intellectual property protecting our non-invasive, molecular screening technology for the detection of colorectal cancer.

Our primary goal is to become the market leader for a patient-friendly diagnostic screening product for the early detection of colorectal pre-cancer and cancer. Our strategic roadmap to achieve this goal includes the following key components:

- develop and refine our non-invasive Cologuard ™ stool-based DNA (sDNA) colorectal pre-cancer and cancer screening test;
- advance our Cologuard test through U.S. Food and Drug Administration (FDA) clinical trials; and
- commercialize an FDA-cleared product that detects colorectal pre-cancer and cancer.

Our Cologuard test includes DNA markers, which in published studies have been shown to be associated with colorectal cancer. In addition to DNA markers, our test will also include a protein marker to detect blood in stool, utilizing an antibody-based fecal immunochemical test (FIT).

Our current focus is on seeking U.S. Food and Drug Administration clearance or approval for our Cologuard test. We also are in the process of developing our strategy for the ultimate commercialization of our Cologuard test. We believe obtaining FDA clearance or approval is critical to building broad demand and successful commercialization for our sDNA colorectal cancer screening technologies. Product performance, throughput and cost are among the elements that will need to be addressed in the design and development of a commercial product based on our technology.

Our Cologuard test is designed to detect pre-cancerous lesions or polyps, and each of the four stages of colorectal cancer. Pre-cancerous polyps are present in approximately 6 percent of average risk people 50 years of age and older who come in for routine colorectal cancer screening.

We are designing our test with a goal of detecting both pre-cancers and cancers. The target sensitivity rate for cancer is equal to or greater than 85 percent at a specificity of 90 percent. In preliminary validation studies our Cologuard test was able to detect cancers at or above this target sensitivity rate and we were also able to demonstrate strong pre-cancer detection. We are in the process of developing our strategy for the ultimate commercialization of our Cologuard test.

It is widely accepted that colorectal cancer is among the most preventable, yet least prevented cancers. Colorectal cancer typically takes up to 10-15 years to progress from a pre-cancerous lesion to metastatic cancer and death. However, it is the second-leading cause of cancer death in the United States, killing almost 50,000 people each year.

There is a significant unmet clinical need related to the diagnosis of colorectal cancer. Approximately 40 percent of those who should be screened for colorectal cancer are not screened according to current guidelines.

Poor compliance has meant that nearly two-thirds of colon cancer diagnoses are made in the disease's late stages. The five-year survival rates for stages 3 and 4 are 67 percent and 12 percent, respectively.

Our Cologuard test can detect pre-cancers and cancers early, and is expected to be a powerful, preventive tool. By detecting pre-cancers and cancers early with our test, affected patients can be referred to colonoscopy, during which the polyp or lesion can be removed. The sDNA screening model has the potential to significantly reduce colorectal cancer deaths. The earlier the pre-cancer or cancer can be detected, the greater the reduction in mortality.

The benefits of sDNA-based screening are clear. It detects both pre-cancers and cancers. sDNA-based screening is non-invasive and requires no bowel preparation or dietary restriction like other methods. The sample for sDNA-based screening can be collected easily at home and mailed to the appropriate laboratory, where the testing would be conducted. sDNA-based screening also is affordable, particularly relative to colonoscopy.

The competitive landscape is favorable to sDNA-based screening. All of the colorectal cancer detection methods in use today are constrained by some combination of poor sensitivity, poor compliance and cost. Colonoscopy is uncomfortable and expensive. A 2010 study showed that seven out of 10 people age 50 and older who were told they should get a colonoscopy did not do so primarily due to fears. Fecal blood testing suffers from poor sensitivity, including 66 percent detection rates for cancer and 27 percent detection rates for pre-cancers, and poor compliance. Blood-based DNA testing also is disadvantaged by its low sensitivity for cancer and its inability to reliably detect pre-cancer. Data from a validation study of one blood-based test was released in late 2011. It demonstrated only 68 percent sensitivity across all stages of cancer at 80 percent specificity, with little sensitivity for pre-cancer.

The competitive advantages of sDNA-based screening provide a significant market opportunity. Assuming a 30-percent test adoption rate and a three-year screening interval, we estimate the potential U.S. market for sDNA screening to be $1.2 billion.

Our intellectual property portfolio positions us to be the leading player to develop and market tests for the detection of colorectal cancer from stool samples. Our portfolio of issued and pending patents broadly protects our position from competitors and yields freedom to operate in this market. We have continued to invest in our intellectual property filings. We have intellectual property pertaining to: sample type, sample preparation, sample preservation, biomarkers, and related methods and formulations. In 2009, we expanded our intellectual property estate through our collaboration with the Mayo Clinic and licensed Invader detection technology from Hologic, which we plan to incorporate into our Cologuard test. We have an extensive license to markers, digital PCR, and other technologies applicable to the detection of colon cancer from Johns Hopkins University, and have additional licensed intellectual property from MDx Health (formerly Oncomethylome Sciences) and Case Western Reserve University.

We have generated limited operating revenues since inception and, as of March 31, 2012, we had an accumulated deficit of approximately $232.5 million. We expect to continue to incur losses for the next several years, and it is possible we may never achieve profitability.

2012 Priorities

In 2012 we will devote significant time and resources on the FDA clinical trial for our Cologuard test and preparing our FDA submissions. Our goal is to complete the clinical trial and submit the PMA to the FDA for the manufacturing and analytical modules by the end of 2012. If for any reason this trial is not successful or is substantially delayed, if the FDA does not approve our PMA or such approval is substantially delayed or if for any other reason we are unable to successfully commercialize our Cologuard test, our business and prospects would likely be materially adversely impacted.

With the goal of expediting receipt of a favorable coverage decision, we are working with the Center for Medicare and Medicaid (CMS) to coordinate our clinical trial with the CMS coverage review process for our Cologuard test.

We also plan to focus on manufacturing preparations and developing the market for our Cologuard test during 2012. This includes working to develop an FDA compliant quality management system and the capability to manufacture and ship reagents to customers as well as completing a healthcare/cost effectiveness study, publishing scientific papers regarding our sDNA colorectal cancer screening technologies and continuing our outreach to physicians, third-party payors and advocates.

Financial Overview

Revenue. Our revenue is comprised of the amortization of up-front license fees for the licensing of certain patent rights to Genzyme and product royalty fees on tests sold by LabCorp utilizing our technology. We expect that total revenue for 2012 will be consistent with amounts recorded in 2011.

Our Cost Structure. Our selling, general and administrative expenses consist primarily of non-research personnel salaries, office expenses, professional fees, sales and marketing expenses incurred in support of our commercialization efforts and, non-cash stock-based compensation.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our condensed financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported revenues and expenses during the reporting periods. On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition, certain third party royalty obligations and stock-based compensation. We base our estimates on historical experience and on various other factors that are believed to be appropriate 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.

While our significant accounting policies are more fully described in Note 2 of our condensed financial statements included in the 2011Form 10-K, we believe that the following accounting policies and judgments are most critical to aid in fully understanding and evaluating our reported financial results.

Revenue Recognition.

License fees. License fees for the licensing of product rights on initiation of strategic agreements are recorded as deferred revenue upon receipt of cash and recognized as revenue on a straight-line basis over the license period. In connection with our January 2009 strategic transaction with Genzyme Corporation, Genzyme agreed to pay us a total of $18.5 million, of which $16.65 million was paid on January 27, 2009 and $1.85 million was subject to a holdback by Genzyme to satisfy certain potential indemnification obligations in exchange for the assignment and licensing of certain intellectual property to Genzyme. Our on-going performance obligations to Genzyme under the Collaboration, License and

Purchase Agreement (the "CLP Agreement"), as described below, including our obligation to deliver certain intellectual property improvements to Genzyme, if improvements are made during the initial five-year collaboration period, were deemed to be undelivered elements of the CLP Agreement on the date of closing. Accordingly, we deferred the initial $16.65 million in cash received at closing and are amortizing that up-front payment on a straight-line basis into revenue over the initial five-year collaboration period ending in January 2014. We received the first holdback amount of $962,000, which included accrued interest due, from Genzyme during the first quarter of 2010 and the second holdback amount of $934,250, which included accrued interest, due from Genzyme during the third quarter of 2010. The amounts were deferred and are being amortized on a straight-line basis into revenue over the remaining term of the collaboration at the time of receipt.

In addition, Genzyme purchased 3,000,000 shares of our common stock on January 27, 2009, for $2.00 per share, representing a premium of $0.51 per share above the closing price of our common stock on that date of $1.49 per share. The aggregate premium paid by Genzyme over the closing price of our common stock on the date of the transaction of $1.53 million is deemed to be a part of the total consideration for the CLP Agreement. Accordingly, we deferred the aggregate $1.53 million premium and are amortizing that amount on a straight-line basis into revenue over the initial five-year collaboration period ending in January 2014.

In total, we recognized approximately $1.0 million in license fee revenue in connection with the amortization of the up-front payments and holdback amounts from Genzyme during the three months ended March 31, 2012 and 2011.

Stock-Based Compensation.

In accordance with GAAP, all stock-based payments, including grants of employee stock options, restricted stock and restricted stock units and shares purchased under an employee stock purchase plan "ESPP" (if certain parameters are not met), are recognized in the financial statements based on their fair values. The following assumptions are used in determining fair value for employee stock options, restricted stock and ESPP shares:

- ***Valuation and Recognition*** — The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model based on the assumptions in Note 4 to our condensed financial statements. The estimated fair value of employee stock options is recognized to expense using the straight-line method over the vesting period.

- ***Expected Term*** - The Company uses the simplified calculation of expected life, described by the SEC's Staff Accounting Bulletins 107 and 110, as the Company does not currently have sufficient historical exercise data on which to base an estimate of expected term. Using this method, the expected term is determined using the average of the vesting period and the contractual life of the stock options granted.

- ***Expected Volatility*** - Expected volatility is based on the Company's historical stock volatility data over the expected term of the awards.

- ***Risk-Free Interest Rate*** - The Company bases the risk-free interest rate used in the Black-Scholes valuation method on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

- ***Forfeitures*** - The Company records stock-based compensation expense only for those awards that are expected to vest. A forfeiture rate is estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates.

The fair value of each restricted stock award and restricted stock unit is determined on the date of grant using the closing stock price on that day. The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model based on the assumptions in Note 4 to our condensed financial statements.

Results of Operations

Revenue . Total revenue remained unchanged at $1.0 million for the three months ended March 31, 2012 and 2011. Total revenue is primarily composed of the amortization of up-front technology license fee payments associated with our purchase agreement with Genzyme. Revenues also include royalties on LabCorp's sales of ColoSure.

Research and development expenses . Research and development expenses increased to $9.0 million for the three months ended March 31, 2012 from $3.0 million for the three months ended March 31, 2011.The increase for the three months ended March 31, 2012 was primarily due to an increase of $2.7 million in professional fee expenses primarily related to our clinical trial, $1.9 million in clinical trial related expenses, $0.5 million in compensation expenses, $0.5 million of lab expenses, $0.2 million in other research and development expenses, $0.1 million in stock-based compensation expenses, and $0.1 million in research collaborations compared to the same period in 2011.The increase in these categories was the result of increased research and development activities in support of our efforts to develop and seek FDA approval for our Cologuard test, which included hiring additional research and development personnel and administering our clinical trial. As a result of these efforts, we expect research and development costs in 2012 to continue to be higher than 2011 levels.

General and administrative expenses . General and administrative expenses decreased to $2.1 million for the three months ended March 31, 2012, compared to $2.2 million for the same period in 2011. The decrease for the three months ended March 31, 2012 was primarily due to an increase of $0.2 million in stock-based compensation expenses compared to the same period in 2011, offset by a $0.3 million decrease in legal and professional fees.

Sales and marketing expenses. Sales and marketing expenses increased to $0.6 million for the three months ended March 31, 2012 from $0.3 million for the same period in 2011as a result of increased sales and marketing efforts in support of our efforts to develop and commercialize our Cologuard test which included hiring additional personnel and increased market research activities.

Interest income . Interest income increased to $62,000 for the three months ended March 31, 2012 from $34,000 for the same period in 2011. This increase is primarily due to larger investment balances when compared to the same period in 2011.

Interest expense. Interest expense was $5,000 for the three months ended March 31, 2012 and 2011 as the loan from the Wisconsin Department of Commerce remained unchanged.

Liquidity and Capital Resources

We have financed our operations since inception primarily through private and public offerings of our common stock, cash received from LabCorp in connection with our license agreement with LabCorp, and cash received in January 2009 from Genzyme in connection with the Genzyme strategic transaction. As of March 31, 2012, we had approximately $12.3 million in unrestricted cash and cash equivalents and approximately $71.2 million in marketable securities.

All of our investments in marketable securities are comprised of fixed income investments and all are deemed available-for-sale. The objectives of this portfolio are to provide liquidity and safety of principal while striving to achieve the highest rate of return, consistent with these two objectives. Our investment policy limits investments to certain types of instruments issued by institutions with investment grade credit ratings and places restrictions on maturities and concentration by type and issuer.

Net cash used in operating activities was $11.3 million for the three months ended March 31, 2012 as compared to $5.5 million for the three months ended March 31, 2011. The principal use of cash in operating activities for the three months ended March 31, 2012 and 2011 was to fund our net loss which increased primarily due to increased research and development activities which included the start of our clinical trial in June 2011.

Net cash used in investing activities was $13.8 million for the three months ended March 31, 2012 as compared to $1.2 million for the three months ended March 31, 2011. The increase in cash used in investing activities for the three months ended March 31, 2012 compared to the same period in 2011 was primarily the result of purchase and maturity activity of marketable securities. Excluding the impact of purchases and maturities of marketable securities, net cash used in investing activities consisted of purchases of property and equipment of $0.2 million for the three months ended March 31, 2012 and $0.2 million for the three months ended March 31, 2011. Purchases of property and equipment during the three months ended March 31, 2012 were a result of increased research and development activities. Based on our plans for further development of our sDNA technology for colorectal cancer detection, we expect that purchases of property and equipment during 2012 will be higher than amounts invested in 2011.

Net cash provided by financing activities was $1.6 million for the three months ended March 31, 2012, as compared to $14,000 for the three months ended March 31, 2011. The increase in cash provided by financing activities for the

three months ended March 31, 2012 was due to cash inflows from stock options exercises of $1.6 million for the three months ended March 31, 2012. During the three months ended March 31, 2011, cash inflows were not as significant and consisted of $14,000 from stock option exercises.

We expect that cash and cash equivalents on hand at March 31, 2012, will be sufficient to fund our current operations for at least the next twelve months, based on current operating plans. However, since we have no current sources of material ongoing revenue, we expect that we will need to raise additional capital to fully fund our current strategic plan, the primary goal of which is developing and commercializing an FDA-cleared/approved non-invasive sDNA colorectal pre-cancer and cancer screening test. If we are unable to obtain sufficient additional funds to enable us to fund our operations through the completion of such plan, our results of operations and financial condition would be materially adversely affected and we may be required to delay the implementation of our plan and otherwise scale back our operations. Even if we successfully raise sufficient funds to complete our plan, we cannot assure you that our business will ever generate sufficient cash flow from operations to become profitable.

Off-Balance Sheet Arrangements

As of March 31, 2012, we had no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is principally confined to our cash, cash equivalents and marketable securities. We invest our cash, cash equivalents and marketable securities in securities of the U.S. governments and its agencies and in investment-grade, highly liquid investments consisting of commercial paper, bank certificates of deposit and corporate bonds, which, as of March 31, 2012 were classified as available-for-sale. We place our cash equivalents and marketable securities with high-quality financial institutions, limit the amount of credit exposure to any one institution and have established investment guidelines relative to diversification and maturities designed to maintain safety and liquidity.

Based on a hypothetical ten percent adverse movement in interest rates, the potential losses in future earnings, fair value of risk-sensitive financial instruments, and cash flows are immaterial, although the actual effects may differ materially from the hypothetical analysis.

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15e promulgated under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of March 31, 2012, our disclosure controls and procedures were effective. Disclosure controls and procedures enable us to record, process, summarize and report information required to be included in our periodic SEC filings within the required time period. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by us in the periodic reports filed with the SEC is accumulated and communicated to our management, including our principal executive, financial and accounting officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In the quarter ended March 31, 2012, we completed the implementation of “SAP”, a new enterprise resource planning software. Management, together with our CEO and CFO, evaluated the changes in our internal control over financial reporting as part of the implementation and it was determined that this system was fully implemented and operating effectively. With this implementation, our management ensures that our key controls are mapped to applicable SAP controls, and as appropriate, maintains and evaluates controls over the flow of information to and from the SAP system.

There were no other changes in our internal control over financial reporting during the quarter ended March 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

Not applicable.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves a number of risks that could materially affect our business, financial condition or future results, some of which are beyond our control. In addition to the other information set forth in this report, the risks and uncertainties that we believe are most important for you to consider are discussed in Part I, “Item 1A. Risk Factors” in our most recent Annual Report on Form 10-K. There have been no material changes to the risk factors described in that report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The exhibits required to be filed as a part of this report are listed in the Exhibit Index.

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.

EXACT SCIENCES CORPORATION

Date: May 4, 2012

By: /s/ Kevin T. Conroy
Kevin T. Conroy

President and Chief Executive Officer
(Principal ExecutiveOfficer)

Date: May 4, 2012

By: /s/ Maneesh K. Arora
Maneesh K. Arora

Chief Operating Officer, Chief Financial Officer, and Secretary
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
10.1	Employment Agreement by and between Laura Stoltenberg and the Registrant, dated as of March 19, 2012
31.1	Certification Pursuant to Rule 13(a)-14(a) or Rule 15d-14(a) of Securities Exchange Act of 1934.
31.2	Certification Pursuant to Rule 13(a)-14(a) or Rule 15d-14(a) of Securities Exchange Act of 1934.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive Data Files

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into effective as of the 19th day of March, 2012, by and between Laura S. Stoltenberg ("Employee") and Exact Sciences Corporation, a Delaware corporation (the "Company").

WHEREAS , the Company desires to employ Employee as its Chief Commercial Officer and Employee desires to accept such employment pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE , in consideration of the mutual covenants and conditions hereinafter set forth, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. Employment . The Company hereby agrees to employ Employee as the Company's Chief Commercial Officer, in which capacity Employee will function as the Company's chief commercial officer, and Employee hereby agrees to serve the Company in such position, subject to the terms and provisions of this Agreement subject to the authority and direction of the Board of Directors of the Company. Employee agrees (a) to devote her full-time professional efforts, attention and energies to the business of the Company, and (b) shall faithfully and to the best of her ability perform her duties hereunder. Employee may serve as a director or committee member of other corporations, charitable organizations and trade associations (provided that the Company is notified in advance of all such positions) and may otherwise engage in charitable and community activities, deliver lectures and fulfill speaking engagements (with the prior approval of the CEO), and manage personal investments, but only if such services and activities do not interfere with the performance of her duties and responsibilities under this Agreement.

2. Term of Employment . Employee's employment (the "Employment Term") will continue until terminated as provided in Section 6 below.

3. Compensation . During the Employment Term, Employee shall receive the following compensation.

3.1 Base Salary . Employee's annual base salary on the date of this Agreement is Three Hundred Ten Thousand Dollars ($310,000), payable in accordance with the normal payroll practices of the Company ("Base Salary"). Employee's Base Salary will be subject to annual review by the Chief Executive Officer ("CEO"), the Compensation Committee and the Board of Directors of the Company. During the Employment Term, on each anniversary date of this Agreement, the Company shall review the Base Salary amount to determine any modifications. In no event shall the Base Salary be less than the Base Salary amount for the immediately preceding twelve (12) month period other than as permitted in Section 6.1(c) hereunder.

3.2 Annual Bonus Compensation . Employee shall be eligible to be considered for an annual, discretionary cash bonus each calendar year (including a pro-rated bonus for calendar year 2012, measured for the period between Employee's first day of employment with the Company and December 31, 2012). Employee's target annual bonus percentage for each calendar year shall be forty percent (40%) of her Base Salary as of January 1 of the applicable new calendar year (or the first day employment for calendar year 2012). Employee acknowledges and agrees that any such annual bonus shall be entirely within the discretion of the CEO and the Compensation Committee based upon the achievement of goals

(including without limitation corporate and individual goals) and other discretionary factors as determined by the Board and/or the Compensation Committee after consultation with the CEO. Employee shall not be eligible to be considered for, or to receive, an annual bonus for any calendar year unless she remains employed with the Company through December 31 of the applicable calendar year. If Employee is terminated with Cause (as defined below) or resigns without Good Reason (as defined below), she shall not be entitled to receive any annual bonus, even if a determination to award the Employee an annual bonus has previously been made but such annual bonus has not yet paid. Subject to the preceding sentence, if an annual bonus is awarded to Employee, it shall be paid no later than March 15 following the end of the calendar year for which it was awarded.

3.3 Equity Incentives .

(a) The Board of Directors, upon the recommendation of the Compensation Committee, or the Compensation Committee, may grant Employee from time to time options to purchase shares of the Company's common stock, and/or other equity awards including without limitation restricted stock, both as a reward for past individual and corporate performance, and as an incentive for future performance. Such options and/or other awards, if awarded, will be pursuant to the Company's then current equity incentive plan.

(b) Employee will receive an initial grant of One Hundred Sixty-Five Thousand (165,000) restricted stock units ("RSUs"), to be settled in shares of the Company's common stock, pursuant to the Company's 2010 Omnibus Long-term Incentive Plan upon commencement of employment. Twenty five percent (25%) of the shares underlying such RSUs shall vest on the first anniversary of the date of grant and the balance shall vest in equal monthly installments over the remaining three-year period commencing on the one-year anniversary of the grant date, subject to the acceleration of vesting (i) as described in Section 6.3 hereof, (ii) as described in Section 7.1(d) and 7.2(b) hereof, and (iii) as may be set forth in the grant agreements issued by the Company, as amended, provided, that in the event of a conflict between any grant agreement and this Agreement, this Agreement shall control.

4. Benefits .

4.1 Benefits . Employee will be entitled to participate, effective on her first day of employment with the Company, in the sick leave, insurance (including medical, life and long-term disability), profit-sharing, retirement, and other benefit programs that are generally provided to employees of the Company similarly situated, all in accordance with the rules and policies of the Company as to such matters and the plans established therefore.

4.2 Vacation and Personal Time . The Company will provide Employee with four (4) weeks of paid vacation each calendar year Employee is employed by the Company, in accordance with Company policy. The foregoing vacation days shall be in addition to standard paid holiday days for employees of the Company.

4.3 Indemnification . To the fullest extent permitted by applicable law and as provided for in the Company's articles of incorporation and bylaws the Company will, during and after termination of employment, indemnify Employee (including providing advancement of expenses) for any judgments, fines, amounts paid in settlement and

reasonable expenses, including attorneys' fees, incurred by Employee in connection with the defense of any lawsuit or other claim or investigation to which Employee is made, or threatened to be made, a party or witness by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries or affiliates as deemed under the Securities Exchange Act of 1934 ("Affiliates") or a fiduciary of any of their benefit plans.

4.4 Liability Insurance . Both during and after termination (for any reason) of Employee's employment, the Company shall cause Employee to be covered under a directors and officers' liability insurance policy for her acts (or non-acts) as an officer of the Company or any of its Affiliates. Such policy shall be maintained by the Company, at its expense in an amount and on terms (including the time period of coverage after the Employee's employment terminates) at least as favorable to the Employee as policies covering the Company's other members of its Board of Directors.

4.5 Relocation Stipend . Company shall pay Employee a stipend in the amount of One Hundred Thousand Dollars ($100,000) ("Relocation Stipend"), with a deduction for any tax withholdings required under applicable law, to cover anticipated expenses in connection with her relocation to the Madison, Wisconsin area for purposes of her employment with the Company. The Relocation Stipend shall be paid at the time, and only if, Employee relocates her primary residence to the Madison, Wisconsin area. Employee agrees that if Employee terminates her employment with the Company without Good Reason (as defined below), or if the Company terminates Employee's employment for Cause (as defined below), at any time before the first anniversary of the effective date of this Agreement, Employee shall repay the Relocation Stipend within thirty (30) days of the effective date of her termination. Any taxes payable with respect to the Relocation Stipend shall be the sole responsibility of Employee, and the Company will follow federal, state and local tax regulations with regard to reporting of the payment of the Relocation Stipend and required withholdings related to the payment of the Relocation Stipend.

5. Business Expenses . Upon submission of a satisfactory accounting by Employee, consistent with the policies of the Company, the Company will reimburse Employee for any reasonable and necessary out-of-pocket expenses incurred by Employee in the furtherance of the business of the Company.

6. Termination .

6.1 By Employee .

(a) Without Good Reason. Employee may terminate her employment pursuant to this Agreement at any time without Good Reason (as defined below) with at least thirty (30) business days' written notice (the "Employee Notice Period") to the Company. Upon termination by Employee under this section, the Company may, in its sole discretion and at any time during the Employee Notice Period, suspend Employee's duties for the remainder of the Employee Notice Period, as long as the Company continues to pay compensation to Employee, including benefits, throughout the Employee Notice Period.

(b) With Good Reason. Employee may terminate her employment pursuant to this Agreement with Good Reason (as defined below) at any time within ninety (90) days after the occurrence of an event constituting Good Reason.

(c) Good Reason. "Good Reason" shall mean any of the following: (i) Employee's Base Salary is reduced (x) in a manner that is not applied proportionately to other senior executive officers of the Company or (y) by more than thirty percent (30%) of Employee's then current Base Salary; (ii) Employee's duties, authority or responsibilities are materially reduced or are materially inconsistent with the scope of authority, duties and responsibilities of Employee's position; (iii) the occurrence of a material breach by the Company of any of its obligations to Employee under this Agreement or (iv) the Company materially violates or continues to materially violate any law or regulation contrary to the written advice of Employee and the Company's outside counsel to the Board of Directors and the Company fails to rectify such violation within thirty (30) days of the written advice that such violations are taking place.

6.2 By the Company .

(a) With Cause. The Company may terminate Employee's employment pursuant to this Agreement for Cause, as defined below, immediately upon written notice to Employee.

(b) "Cause" shall mean any of the following:

(i) any willful failure or refusal to perform the Employee's duties which continues for more than ten (10) days after written notice from the Company, specifically identifying the manner in which the Company believed the Employee had failed or refused to perform her duties;

(ii) the commission of any fraud or embezzlement by the Employee in connection with the Employee's duties or committed in the course of Employee's employment;

(iii) any gross negligence or willful misconduct of the Employee with regard to the Company or any of its subsidiaries resulting in a material economic loss to the Company;

(iv) a conviction of, or plea of guilty or nolo contendere to, a felony or other crime involving moral turpitude,

(v) the Employee is convicted of a misdemeanor the circumstances of which involve fraud, dishonesty or moral turpitude and which is substantially related to the circumstances of Employee's job with the Company;

(vi) any willful and material violation by the Employee of any statutory or common law duty of loyalty to the Company or any of its subsidiaries resulting in a material economic loss; or

(vii) any material breach by the Employee of this Agreement or any of the agreements referenced in Section 8 of this Agreement.

(c) Without Cause . Subject to Section 7.1, the Company may terminate Employee's employment pursuant to this Agreement without Cause upon at least thirty days' written notice ("Company Notice Period") to Employee. Upon any termination

by the Company under this Section 6.2(c), the Company may, in its sole discretion and at any time during the Company Notice Period, suspend Employee's duties for the remainder of the Company Notice Period, as long as the Company continues to pay compensation to Employee, including benefits, throughout the Company Notice Period.

6.3 Death or Disability . Notwithstanding Section 2, in the event of the death or disability of Employee during the Employment Term, (i) Employee's employment and this Agreement shall immediately and automatically terminate, (ii) the Company shall pay Employee (or in the case of death, employee's designated beneficiary) Base Salary and accrued but unpaid bonuses, in each case up to the date of termination, and (iii) all equity awards granted to Employee, whether stock options or stock purchase rights under the Company's equity compensation plan, or other equity awards, that are unvested at the time of termination shall immediately become fully vested and exercisable upon such termination. Neither Employee, her beneficiary nor estate shall be entitled to any severance benefits set forth in Section 7 if terminated pursuant to this section. In the event of the disability of Employee, the parties agree to comply with applicable federal and state law.

6.4 Survival . The Confidential Information Agreement described in Section 8 hereof and attached hereto as Schedule A shall survive the termination of this Agreement.

7. Severance and Other Rights Relating to Termination and Change of Control .

7.1 Termination of Agreement Pursuant to Section 6.l(b) or 6.2(c) . If the Employee terminates her employment for Good Reason pursuant to Section 6.1(b), or the Company terminates Employee's employment without Cause pursuant to Section 6.2(c), subject to the conditions described in Section 7.3 below, the Company will provide Employee the following payments and other benefits:

(a) (i) provided the Employee has completed six (6) full months as an employee of the Company at the time of such termination, salary continuation for a period of twelve (12) months at Employee's then current Base Salary, which shall commence on the first payroll date which is on or immediately follows the 30 th day following the termination of Employee's employment, (ii) any accrued but unpaid Base Salary as of the termination date; and (iii) any earned, awarded and accrued, but unpaid, bonus as of the termination date, all on the same terms and at the same times as would have applied had Employee's employment not terminated.

(b) If Employee elects COBRA coverage for health and/or dental insurance in a timely manner, the Company shall pay the monthly premium payments for such timely elected coverage (consistent with what was in place at the date of termination) when each premium is due until the earlier of: (i) (12) twelve months from the date of termination; (ii) the date Employee obtains new employment which offers health and/or dental insurance that is reasonably comparable to that offered by the Company; or (iii) the date COBRA continuation coverage would otherwise terminate in accordance with the provisions of COBRA. Thereafter, health and dental insurance coverage shall be continued only to the extent required by COBRA and only to the extent Employee timely pays the premium payments herself.

(c) Within thirty (30) days of the effective date of termination, the Company shall pay Employee Ten Thousand Dollars ($10,000) towards the cost of an outplacement consulting package for Employee.

(d) The time-vesting period of the then unvested equity awards granted to Employee, whether stock options, restricted stock or stock purchase rights under the Company's equity compensation plan, or other equity awards, shall immediately accelerate by a period of 12 months upon such termination or resignation. Employee will be entitled to exercise such equity awards in accordance with Section 7.6.

7.2 Change of Control . The Board of Directors of the Company has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (defined in Section 7.2(a) below). The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Employee will be satisfied and which are competitive with those of other similarly-situated companies. Therefore, in order to accomplish these objectives, the Board has caused the Company to include the provisions set forth in this Section 7.2.

(a) Change of Control. "Change of Control" shall mean, and shall be deemed to have occurred if, on or after the date of this Agreement, (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) or group acting in concert, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company acting in such capacity or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing more than 50% of the total voting power represented by the Company's then outstanding Voting Securities, (ii) during any 12-month period, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (iii) the consummation of a merger or consolidation of the Company with any other corporation other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (iv) the sale or disposition by the Company of (in one transaction or a series of related transactions) all or substantially all of the Company's assets.

(b) Acceleration of Vesting of Equity Awards. Subject to Employee's agreement to remain employed by the Company (or any successor), if requested, for a period of at least six (6) months following such Change of Control at her then current Base Salary, one hundred percent (100%) of the then unvested equity awards granted to Employee, whether stock options, restricted stock or stock purchase rights under the Company's equity compensation plan, or other equity awards, shall immediately become fully vested and exercisable upon a Change of Control. Employee will be entitled to exercise such vested equity awards in accordance with the applicable grant agreements.

7.3 Conditions Precedent . The Company's obligations to Employee described in Sections 7.1 and 7.2 are contingent on Employee's delivery to the Company of a signed waiver and release in a form reasonably satisfactory to the Company of all claims she may have against the Company, and her not revoking such release within 21 days after her date of termination. Moreover, the Employee's rights to receive ongoing payments and benefits pursuant to Sections 7.1 and 7.2 (including, without limitation, the right to ongoing payments under the Company's equity plans) are conditioned on the Employee's ongoing compliance with her obligations as described in Section 8 hereof. Any cessation by the Company of any such payments and benefits shall be in addition to, and not in lieu of, any and all other remedies available to the Company for Employee's breach of her obligations described in Section 8 hereof.

7.4 No Severance Benefits . Employee is not entitled to any severance benefits if this Agreement is terminated pursuant to Sections 6.1(a) or 6.2(a) of this Agreement; provided however, Employee shall be entitled to (i) Base Salary prorated through the effective date of such termination; and (ii) medical coverage and other benefits required by law and plans (as provided in Section 7.5, below).

7.5 Benefits Required by Law and Plans: Vacation Time Pay . In the event of the termination of Employee's employment, Employee will be entitled to medical and other insurance coverage, if any, as is required by law and, to the extent not inconsistent with this Agreement, to receive such additional benefits as Employee may be entitled under the express terms of applicable benefit plans (other than bonus or severance plans) of the Company, its subsidiaries and Affiliates.

7.6 Exercise Period of Equity Awards after Termination . Unless it would subject the Employee to adverse tax consequences under Section 885 of the American Jobs Creation Act of 2004, Pub. Law No. 108-357, 118 Stat. 1418 (the Act), which added § 409A to the Internal Revenue Code, notwithstanding anything contained herein or in the equity grant agreements to the contrary, in the event of the termination of Employee's employment with the Company, Employee's vested equity awards shall be open for exercise until the earlier of (i) two (2) years from the date of termination or (ii) the latest date on which those equity awards expire or are eligible to be exercised under the grant agreements, determined without regard to such termination or resignation; provided further that such extended exercise period shall not apply in the event the Employee resigns without Good Reason or is terminated by the Company for Cause, in which case, the exercise periods shall continue to be governed by the terms of the grant agreements.

7.7 409A Compliance . Notwithstanding anything in this Section 7 to the contrary, to the extent that any payments under this Section 7 are considered deferred compensation subject to Section 409A of the Internal Revenue Code, such payments shall not be paid for six months following the

Employee's separation from service (if, and only to the extent, applicable and required for compliance with Section 409A). To the extent that any payment is delayed pursuant to this subsection, it shall be paid on the first day after the end of such required period.

8. Restrictions .

8.1 The Confidential Information Agreement . Employee will enter into and comply with the terms of the Employee Confidentiality and Assignment Agreement in substantially the form attached hereto as Exhibit A (the "Confidential Information Agreement").

8.2 Agreement Not to Compete . In consideration for all of the payments and benefits that may become due to Employee under this Agreement, Employee agrees that during Employee's employment by the Company and for a period of twelve (12) months after termination of her employment for any reason, she will not, directly or indirectly, without the Company's prior written consent, (a) perform for a Competing Entity in any Restricted Area any of the same services or substantially the same services that she performed for the Company; (b) in any Restricted Area, advise, assist, participate in, perform services for, or consult with a Competing Entity regarding the management, operations, business or financial strategy, marketing or sales functions or products or product development (including without limitation clinical trials) of the Competing Entity (the activities in clauses (a) and (b) collectively are, the "Restricted Activities"); or (c) solicit or divert the business of any Restricted Customer by offering competitive products or services to such Restricted Customer to the detriment of the Company. Employee acknowledges that in her position with the Company she has had and will have access to knowledge of confidential information about all aspects of the Company that would be of significant value to the Company's competitors.

8.3 Additional Definitions .

(a) "Customer" means any individual or entity for whom the Company has provided services or products or made a proposal to perform services or provide products.

(b) "Restricted Customer" means any Customer with whom/which Employee had contact on behalf of the Company during the twelve (12) months preceding the end, for whatever reason, of her employment.

(c) "Competing Entity" means any business entity engaged in the development, design, manufacture, marketing, distribution or sale of molecular diagnostic products.

(d) "Restricted Area" means any geographic location where if Employee were to perform any Restricted Activities for a Competing Entity in such a location, the effect of such performance would be competitive to the Company.

8.4 Reasonable Restrictions On Competition Are Necessary . Employee acknowledges that reasonable restrictions on competition are necessary to protect the interests of the Company. Employee also acknowledges that she has certain skills necessary to the success of the Company, and that the Company has provided and will provide to her certain confidential information that it would not otherwise provide because she has agreed not to compete with the business of the Company as set forth in this Agreement.

8.5 Restrictions Against Solicitations . Employee further covenants and agrees that during Employee's employment by the Company and for a period of twelve (12) months following the termination of her employment with the Company for any reason, she will not, except with the prior consent of the Company's Chief Executive Officer, directly or indirectly, solicit or hire, or encourage the solicitation or hiring of, any person who is an employee of the Company for any position as an employee, independent contractor, consultant or otherwise, provided that the foregoing shall not prevent Employee from serving as a reference.

8.6 Affiliates . For purposes of this Section 8, the term "Company" will be deemed to include the Company and its Affiliates.

8.7 Ability to Obtain Other Employment . Employee hereby represents that her experience and capabilities are such that in the event her employment with the Company is terminated, she will be able to obtain employment if she so chooses during the period of noncompetition following the termination of employment described above without violating the terms of this Agreement, and that the enforcement of this Agreement by injunction, as described below, will not prevent her from becoming so employed. To assist Employee in obtaining subsequent employment, the Company agrees to respond within three (3) business days to any request of Employee as to whether a new position would be viewed by the Company as violation of the restrictions in this Agreement.

8.8 Injunctive Relief . Employee understands and agrees that if she violates any provision of this Section 8, then in any suit that the Company may bring for that violation, an order may be made enjoining her from such violation, and an order to that effect may be made pending litigation or as a final determination of the litigation. Employee further agrees that the Company's application for an injunction will be without prejudice to any other right of action that may accrue to the Company by reason of the breach of this Section 8.

8.9 Severability . In case any provisions (or portions thereof) contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. If, moreover, any one or more of the provisions contained in this Section 8 shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

8.10 Section 8 Survives Termination . The provisions of this Section 8 will survive termination of this Agreement and the termination of the Employee's employment. Employee understands that her obligations under this Section 8 will continue in accordance with its express terms regardless of any changes in title, position, duties, salary, compensation or benefits or other terms and conditions of employment. The Company will have the right to assign Employee's obligations under this Section 8 to its affiliates, successors and assigns. Employee expressly consents to be bound by the provisions of this Section 8 for the benefit of the Company or any parent, subsidiary or affiliate to whose employ Employee may be transferred without the necessity that this Agreement be re-executed at the time of such transfer.

9. Arbitration . Unless other arrangements are agreed to by Employee and the Company, any disputes arising under or in connection with this Agreement, other than a dispute in which the

primary relief sought is an equitable remedy such as an injunction, will be resolved by binding arbitration to be conducted pursuant to the Agreement for Arbitration Procedure of Certain Employment Disputes attached as Exhibit B hereof.

10. Assignments: Transfers: Effect of Merger . No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation, or pursuant to the sale or transfer of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company. This Agreement will not be terminated by any merger, consolidation or transfer of assets of the Company referred to above. In the event of any such merger, consolidation or transfer of assets, the provisions of this Agreement will be binding upon the surviving or resulting corporation or the person or entity to which such assets are transferred. The Company agrees that concurrently with any merger, consolidation or transfer of assets referred to above, it will cause any successor or transferee unconditionally to assume, either contractually or as a matter of law, all of the obligations of the Company hereunder in a writing promptly delivered to the Employee. This Agreement will inure to the benefit of, and be enforceable by or against, Employee or Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, designees and legatees. None of Employee's rights or obligations under this Agreement may be assigned or transferred by Employee other than Employee's rights to compensation and benefits, which may be transferred only by will or operation of law. If Employee should die while any amounts or benefits have been accrued by Employee but not yet paid as of the date of Employee's death and which would be payable to Employee hereunder had Employee continued to live, all such amounts and benefits unless otherwise provided herein will be paid or provided in accordance with the terms of this Agreement to such person or persons appointed in writing by Employee to receive such amounts or, if no such person is so appointed, to Employee's estate.

11. No Set-off. No Mitigation Required . Except as expressly provided otherwise in this Agreement, the obligation of the Company to make any payments provided for hereunder and otherwise to perform its obligations hereunder will not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Employee or others. In no event will Employee be obligated to seek other employment or take other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement, and such amounts will not be reduced (except as otherwise specifically provided herein) whether or not Employee obtains other employment.

12. Taxes . The Company shall have the right to deduct from any payments made pursuant to this Agreement any and all federal, state, and local taxes or other amounts required by law to be withheld.

13. 409A Compliance . The intent of Employee and the Company is that the severance and other benefits payable to Employee under this Agreement not be deemed "deferred compensation" under, or otherwise fail to comply with, Section 409A of the Internal Revenue Code. Employee and the Company agree to use reasonable best efforts to amend the terms of this Agreement from time to time as may be necessary to avoid the imposition of penalties or additional taxes under Section 409A of the Internal Revenue Code; provided, however, any such amendment will provide Employee substantially equivalent economic payments and benefits as set forth herein and will not in the aggregate, materially increase the cost to, or liability of, the Company hereunder.

14. Miscellaneous . No amendment, modification or waiver of any provisions of this Agreement or consent to any departure thereof shall be effective unless in writing signed by the party against whom it is sought to be enforced. This Agreement contains the entire Agreement that exists between Employee and the Company with respect to the subjects herein contained and replaces and

supersedes all prior agreements, oral or written, between the Company and Employee with respect to the subjects herein contained. Nothing herein shall affect any terms in the Confidential Information Agreement, the Agreement for Arbitration Procedure of Certain Employment Disputes, and any stock plans or agreements between Employee and the Company now and hereafter in effect from time to time (except as and to the extent expressly provided herein). If any provision of this Agreement is held for any reason to be unenforceable, the remainder of this Agreement shall remain in full force and effect. Each section is intended to be a severable and independent section within this Agreement. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement. This Agreement is made in the State of Wisconsin and shall be governed by and construed in accordance with the laws of said State.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. All notices and all other communications provided for in this Agreement shall be in writing and shall be considered duly given upon personal delivery, delivery by nationally reputable overnight courier, or on the third business day after mailing from within the United States by first class certified or registered mail, return receipt requested, postage prepaid, all addressed to the address set forth below each party's signature. Any party may change its address by furnishing notice of its new address to the other party in writing in accordance herewith, except that any notice of change of address shall be effective only upon receipt.

The parties hereto have executed this Employment Agreement as of the date first written above.

/s/ Laura S. Stoltenberg
Laura S. Stoltenberg ("Employee")

Notice Address:
W282 N4138 Somerset Ln
Pewaukee, WI 53072

Exact Sciences Corporation ("Company")

By: /s/ Kevin T. Conroy
Kevin T. Conroy
President and Chief Executive Officer

Notice Address:
441 Charmany Drive
Madison, WI 53719

EXHIBIT A

Confidential Information Agreement

EXHIBIT B

Agreement for Arbitration Procedure of Certain Employment Disputes

[attached]

EXACT SCIENCES CORPORATION

AGREEMENT FOR ARBITRATION PROCEDURES OF
CERTAIN EMPLOYMENT DISPUTES

This Agreement for Arbitration Procedure of Certain Employment Disputes (this "Agreement") is made effective as of March 19, 2012 by and between Exact Sciences Corporation, a Delaware corporation, its subsidiaries, affiliates, successors and assigns (together, the "Company") and the Company employee signing below (the "Employee"). This Agreement is intended to make available a means for the resolution of certain employment disputes between the Company and the Employee that is: (1) timely; (2) fair; (3) cost effective; (4) created by the parties; (5) responsive to the parties; (6) marked by maximum decision-maker expertise in employment matters; and (7) a source of finality for all involved.

Now therefore, in consideration of the foregoing, the mutual covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Initial Conflict Resolution . The Employee agrees to use and exhaust the internal complaint procedures of the Company, with respect to any claim or controversy that is subject to this Agreement before taking any other action hereunder. The Employee also agrees that in the event s/he is unsatisfied with a resolution under the Company's internal procedures, prior to arbitration and if requested by the Company, the parties will submit their dispute to a neutral mediator to help them negotiate resolution of their dispute. The parties acknowledge that mediation is a non-binding procedure, but agree that any agreement reached and documented during mediation is binding on the parties and can be enforced by the courts without arbitration.

2. Arbitration . The Employee and the Company agree that they will submit to private, final, and binding arbitration any of the following claims or controversies against the Company or any of its employees, officers, directors, or shareholders: (i) any dispute respecting the terms of the Employee's Employment Agreement with the Company ("Employment Agreement"); (ii) any dispute respecting the terms of the Employee's Employee Confidentiality and Assignment Agreement (the "Confidential Information Agreement"); (the Employment Agreement and the Confidential Information Agreement shall be referred to collectively herein as the "Agreements"); (iii) any dispute arising out of the Employee's employment or the cessation thereof; or (iv) any complaint or charge the Employee makes alleging a violation by the Company of state, federal, or local law concerning Employee's status with the Company or his/her cessation of employment. Any question of arbitrability under this Agreement shall also be subject to arbitration. The binding nature of this Agreement shall survive the termination of the Employee's employment with the Company for any reason.

(a) The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1-16, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof.

(b) The arbitration shall be administered by JAMS or, if the parties agree in writing, be privately administered. In either case, the arbitration shall be conducted in accordance with the rules of JAMS, which will be made available by the Company upon request. In the event that any provision of such rules shall conflict with the language of any of the Agreements or this Arbitration Agreement, the Agreements and this Arbitration Agreement shall prevail.

3. Exclusions from Arbitration . Notwithstanding the foregoing, the parties agree that each shall have the right to commence a legal action in court for (i) the purposes of obtaining temporary and/or preliminary injunctive relief that shall remain in effect until such time as the arbitrator has rendered a decision regarding the underlying merits of the claims relating to such matter for which injunctive relief was sought and (ii) the purpose of protecting the Company's intellectual property, including, but not limited to, patents, copyrights and trademarks. With regard to any court action commenced by either party, whether pursuant to this Paragraph 3 or not, both parties agree to submit to personal jurisdiction in the federal or state court located in Dane County, Wisconsin and not to contest venue in such courts.

4. Arbitration Procedure . The place of the arbitration shall be in Dane County, Wisconsin. The parties have the right to be represented by counsel in any arbitration proceeding conducted pursuant to this Agreement.

(a) Selection of the Arbitrator . Arbitration shall be by a single arbitrator who will be selected utilizing the alternative striking method from a list of five (5) neutral arbitrators with experience in employment disputes provided by JAMS or, if the parties choose private arbitration, from a list provided by the State Bar of Wisconsin or other local law association. The party initiating the arbitration has the right to make the first strike.

(b) Arbitrator's Powers . The arbitrator can only exercise the powers authorized by this Arbitration Agreement and can neither add to nor delete from the provisions of this Arbitration Agreement. At the commencement of the arbitration, the parties shall state the issue(s) to be submitted to the arbitrator. The arbitrator can decide only the dispute submitted to him or her. Any other dispute is outside the scope of the arbitrator's jurisdiction and any award involving such dispute is subject to a motion to vacate. The arbitrator must decide any dispute according to the governing principles of law and equity. Nothing in this paragraph, however, shall be construed to limit the arbitrator's authority to award remedies or relief available to a party under applicable law.

(c) Discovery . The parties may engage in pre-hearing discovery that shall be governed by the Federal Rules of Civil Procedure. All discovery must be completed on or before sixty (60) calendar days before the hearing date, or as otherwise agreed to by the parties and approved by the arbitrator.

(d) Evidence . The Federal Rules of Evidence shall govern and be applicable to the arbitration proceeding. Depositions for testimony may be used in accordance with the Federal Rules of Civil Procedure.

(e) Motions . The parties may submit, pursuant to the Federal Rules of Civil Procedure, motions, including, but not limited to, procedural motions and dispositive motions (including, but not limited to, motions to dismiss and motions for summary judgment) for determination by the arbitrator. The arbitrator shall, at the request of either party, issue a written decision regarding any such motion setting forth the factual and legal reasons supporting the decision.

(f) Post-Hearing Brief . In lieu of closing argument, each party shall have the right to present a post-hearing brief.

(g) Decision of the Arbitrator . The arbitrator shall issue a written opinion and award, which the arbitrator must sign and date setting forth the factual and legal reasons supporting each part of the opinion. The arbitrator's opinion and award must decide all issues submitted.

(h) Available Remedies . The arbitrator is authorized to fashion remedies that make the prevailing party whole for demonstrated losses incurred. The arbitrator may not, however, award consequential, punitive, or liquidated damages unless an applicable statute permits or requires such damages to be awarded.

5. Waiver of Jury Trial . The parties recognize, understand and agree that by entering into this Agreement, both are waiving any and all rights to a trial by jury. Furthermore, the Employee understands that s/he is encouraged to have this Agreement reviewed by an attorney before signing it.

6. Arbitration Fees . The party initiating arbitration shall pay a filing fee of $250 and the Company shall be responsible for the entire remaining balance of the Arbitrator's fees. If the Employee prevails in the arbitration, he or she shall be entitled to recoup any filing fee paid by Employee. Unless the recovery of attorney's fees and costs by either party from the other is afforded under applicable federal or state law as a remedy relating to the dispute, controversy or claim being resolved by the arbitration and is, in fact, ordered by the Arbitrator to be paid by one party to the other, each party shall bear his/her/its own attorneys' fees and costs.

7. Time Limit for Filing Complaints . Any claim subject to this Agreement shall be submitted to arbitration within 300 days of the event giving rise to the claim or shall be waived. In the case of continuing violations under state or federal civil rights laws, the 300 day timeline shall begin to run on the date of the latest alleged violation.

8. Choice of Law . The arbitrator shall apply applicable federal law and the law of the State of Wisconsin, without reference to its conflicts of laws principles, to any matter arbitrated.

9. Severability . The provisions of this Agreement are severable and should be construed independently. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions. Moreover, if one or more of the provisions of this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable at law, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either of the parties.

10. Modifications . No change or modification to this Agreement shall be valid unless it is made in writing and signed by the Employee and the Company.

/s/ Laura S. Stoltenberg
Employee

Exact Sciences Corporation.

By: /s/Kevin T. Conroy
Title: President/CEO

Exhibit 31.1

Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin T. Conroy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exact Sciences Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2012

By: /s/ Kevin T. Conroy
Kevin T. Conroy
President and Chief Executive Officer

Exhibit 31.2

Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Maneesh K. Arora, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exact Sciences Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2012

By: /s/ Maneesh K. Arora
Maneesh K. Arora
Chief Operating Officer, Chief Financial Officer, and Secretary

Exhibit 32.1

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 Exact Sciences Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Kevin T. Conroy, President and Chief Executive Officer of the Company and Maneesh K. Arora, Senior Vice President, Chief Financial Officer, Treasurer and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to our knowledge, 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/ Kevin T. Conroy
Kevin T. Conroy
President and Chief Executive Officer

May 4, 2012

/s/ Maneesh K. Arora
Maneesh K. Arora
Chief Operating Officer, Chief Financial Officer, and Secretary

May 4, 2012