
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)
July 26, 2012**

Pacific Biosciences of California, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34899
(Commission
File Number)

16-1590339
(IRS Employer
Identification No.)

**1380 Willow Road
Menlo Park, California 94025**
(Address of principal executive offices, including zip code)

(650) 521-8000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 26, 2012, Pacific Biosciences of California, Inc. announced its financial results for the quarter ended June 30, 2012. A copy of the press release containing the announcement is included as Exhibit 99.1 and is incorporated herein by reference.

This information is intended to be furnished under Item 2.02 of Form 8-K, "Results of Operations and Financial Condition" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated July 26, 2012 titled "Pacific Biosciences of California Announces Second Quarter 2012 Financial Results" (furnished and not filed herewith solely pursuant to Item 2.02).

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1 Press Release dated July 26, 2012 titled "Pacific Biosciences of California Announces Second Quarter 2012 Financial Results" (furnished and not filed herewith solely pursuant to Item 2.02).

**Pacific Biosciences of California, Inc. Announces
Second Quarter 2012 Financial Results**

Menlo Park, Calif. – July 26, 2012 – Pacific Biosciences of California, Inc. (Nasdaq: PACB) today announced financial results for the second quarter ended June 30, 2012.

During the second quarter of 2012, the Company recognized revenue from installations of its PacBio RS systems, SMRT® Cell and reagent consumables, instrument service contracts and grants. Revenue for the second quarter of 2012 totaled \$7.3 million and net loss was \$22.5 million.

Gross profit for the second quarter of 2012 totaled \$0.3 million, resulting in a gross margin of 4%, compared to a \$0.2 million gross loss for the first quarter of 2012 and a negative margin of 2%. Gross profit for the second quarter of 2011 was \$7.9 million representing a gross margin of 74%. The margin for the second quarter 2011 reflects the positive margin impact of instrument components expensed during earlier periods when the Company was in the development stage.

Operating expenses comprised of research and development and selling, general and administrative expenses for the second quarter of 2012 totaled \$22.8 million, representing a 17% decrease compared to \$27.4 million for the first quarter of 2012. Operating expenses in the second quarter of 2012 include \$2.5 million of non-cash stock-based compensation with \$1.1 million and \$1.4 million recorded in research and development and selling, general and administrative expenses, respectively. Operating expenses in the second quarter of 2011 were \$30.6 million.

Research and development expense during the second quarter of 2012 totaled \$11.3 million, representing a 7% decrease compared to \$12.1 million for the first quarter of 2012. Selling, general and administrative expense during the second quarter of 2012 totaled \$11.5 million, representing a 24% decrease compared to \$15.3 million for the first quarter of 2012. The \$3.8 million decrease in quarterly SG&A expense reflects a \$3.2 million decrease in outside legal expense as we settled two intellectual property matters in the first quarter of 2012. During the second quarter of 2011, research and development expense totaled \$19.5 million and selling, general and administrative expense totaled \$11.0 million.

Cash and investments at June 30, 2012 totaled \$137.1 million compared to \$161.3 million at March 31, 2012.

The Company's system revenue backlog was less than \$1.0 million as of June 30, 2012, which represents an order for one PacBio RS instrument received during the second quarter of 2012. Installation has been completed for all instruments that were in backlog as of March 31, 2012.

Quarterly Conference Call Information

Management will host a quarterly conference call to discuss its second quarter 2012 results today at 4:30pm Eastern / 1:30pm Pacific. Investors may listen to the call by dialing 888.366.7247, or if outside the U.S., by dialing +1.707.287.9330. The call will be webcast live and will be available for replay at Pacific Biosciences' website at <http://investor.pacificbiosciences.com/>.

About Pacific Biosciences

Pacific Biosciences of California, Inc. (NASDAQ: PACB) offers the PacBio® RS High Resolution Genetic Analyzer to help scientists solve genetically complex problems. Based on its novel Single Molecule, Real-Time (SMRT®) technology, the company's products enable: targeted sequencing to more comprehensively characterize genetic variations; *de novo* genome assembly to more fully identify, annotate and decipher genomic structures; and DNA base modification identification to help characterize epigenetic regulation and DNA damage. By providing access to genetic information that was previously inaccessible, Pacific Biosciences enables scientists to increase their understanding of biological systems.

Forward-Looking Statements

This press release contains forward-looking statements relating to the Company's operations and operating results, including statements relating to the Company's revenue. You should not place undue reliance on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond the Company's control and that could materially affect actual results. Factors that could materially affect actual results can be found in Pacific Biosciences of California's filings with the Securities and Exchange Commission, including the most recently filed Quarterly Report on Form 10-Q, including those listed under the caption "Risk Factors." Pacific Biosciences of California expressly disclaims any intent or obligation to update these forward-looking statements, except as required by law.

Contact:

Trevin Rard
650.521.8450
ir@pacificbiosciences.com

Pacific Biosciences of California, Inc.
Unaudited Consolidated Statement of Operations and Comprehensive Income
(amounts in thousands, except per share amounts)

	Quarters Ended		
	June 30, 2012	March 31, 2012	June 30, 2011
Revenue:			
Product revenue	\$ 5,827	\$ 8,715	\$ 10,148
Service and other revenue	1,284	1,053	192
Grant revenue	180	270	290
Total revenue	<u>7,291</u>	<u>10,038</u>	<u>10,630</u>
Cost of revenue:			
Cost of product revenue	5,382	8,607	2,537
Cost of service and other revenue	1,634	1,583	194
Total cost of revenue	<u>7,016</u>	<u>10,190</u>	<u>2,731</u>
Gross profit (loss)	<u>275</u>	<u>(152)</u>	<u>7,899</u>
Operating expense:			
Research and development	11,272	12,073	19,546
Sales, general and administrative	11,558	15,285	11,016
Total operating expense	<u>22,830</u>	<u>27,358</u>	<u>30,562</u>
Operating loss	(22,555)	(27,510)	(22,663)
Other income (expense), net	68	(70)	188
Net loss	<u><u>\$(22,487)</u></u>	<u><u>\$(27,580)</u></u>	<u><u>\$(22,475)</u></u>
Basic and diluted net loss per share	<u><u>\$ (0.40)</u></u>	<u><u>\$ (0.50)</u></u>	<u><u>\$ (0.42)</u></u>
Shares used in computing basic and diluted net loss per share	<u>55,658</u>	<u>55,201</u>	<u>53,414</u>
Comprehensive loss	<u><u>\$(22,547)</u></u>	<u><u>\$(27,502)</u></u>	<u><u>\$(22,297)</u></u>

Pacific Biosciences of California, Inc.
Unaudited Consolidated Statement of Operations and Comprehensive Income
(amounts in thousands, except per share amounts)

	Year to Date	
	June 30, 2012	June 30, 2011
Revenue:		
Product revenue	\$ 14,542	\$ 10,148
Service and other revenue	2,337	192
Grant revenue	450	560
Total revenue	17,329	10,900
Cost of revenue:		
Cost of product revenue	13,989	2,537
Cost of service and other revenue	3,217	194
Total cost of revenue	17,206	2,731
Gross profit	123	8,169
Operating expense:		
Research and development	23,345	43,664
Sales, general and administrative	26,843	22,135
Total operating expense	50,188	65,799
Operating loss	(50,065)	(57,630)
Other income (expense), net	(2)	346
Net loss	\$(50,067)	\$(57,284)
Basic and diluted net loss per share	\$ (0.90)	\$ (1.08)
Shares used in computing basic and diluted net loss per share	55,433	53,057
Comprehensive loss	\$(50,049)	\$(57,082)

Pacific Biosciences of California, Inc.
Consolidated Balance Sheets
(amounts in thousands, except per share amounts)

	June 30, 2012 <small>(unaudited)</small>	March 31, 2012 <small>(unaudited)</small>	December 31, 2011 (1)
Assets			
Cash and investments	\$ 137,108	\$ 161,349	\$ 177,434
Accounts receivable	3,371	1,505	4,557
Inventory	10,271	11,821	15,517
Prepaid and other current assets	1,893	2,131	2,093
Total current assets	152,643	176,806	199,601
Property and equipment	16,937	17,592	18,398
Other assets	350	340	317
Total Assets	\$ 169,930	\$ 194,738	\$ 218,316
Liabilities and Stockholders' Equity			
Accounts payable	\$ 4,061	\$ 4,250	\$ 4,742
Deferred revenue	4,170	3,920	4,236
Accrued and other current liabilities	6,695	11,626	10,398
Total current liabilities	14,926	19,796	19,376
Facility financing and other non-current liabilities	6,800	7,039	7,477
Stockholders' equity	148,204	167,903	191,463
Total Liabilities and Stockholders' Equity	\$ 169,930	\$ 194,738	\$ 218,316

Note 1: The condensed consolidated balance sheet at December 31, 2011 has been derived from the audited consolidated financial statements at that date included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011.