
**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)
October 25, 2011**

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 October 27, 2011, Pacific Biosciences of California, Inc. announced its financial results for the third quarter ended September 30, 2011. 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 8.01. OTHER EVENTS

On October 25, 2011, the Board of Directors of Pacific Biosciences of California, Inc. appointed Michael W. Hunkapiller, Ph.D., as Executive Chairman of its Board of Directors. The material terms of Dr. Hunkapiller's compensation arrangements, once finalized, will be disclosed in a subsequent filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated October 27, 2011 titled "Pacific Biosciences of California Announces Third Quarter Financial Results" (furnished and not filed herewith solely pursuant to Item 2.02).
99.2	Press Release dated October 27, 2011 title "Pacific Biosciences Appoints Michael W. Hunkapiller as Executive Chairman"

SIGNATURE

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

Pacific Biosciences of California, Inc.

By: _____ /s/ SUSAN K. BARNES
Susan K. Barnes
Executive Vice President and Chief Financial Officer

Date: October 27, 2011

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1	Press Release dated October 27, 2011 titled "Pacific Biosciences of California Announces Third Quarter Financial Results" (furnished and not filed herewith solely pursuant to Item 2.02).
99.2	Press Release dated October 27, 2011 title "Pacific Biosciences Appoints Michael W. Hunkapiller as Executive Chairman"

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

Menlo Park, Calif. – October 27, 2011 – Pacific Biosciences of California, Inc. (Nasdaq: PACB) today announced financial results for the third quarter ended September 30, 2011.

During the third quarter of 2011, the Company recognized revenue from deliveries of its third generation sequencing platform, the PacBio RS, SMRT® cell and reagent consumables, as well as revenue derived from instrument service contracts, totaling \$10.5 million, compared to revenue recognized of \$10.6 million for the second quarter of 2011. Net loss for the quarter increased to \$29.3 million, including workforce reduction charges of \$4.9 million, compared to the \$22.5 million net loss recognized during the second quarter of 2011.

Gross profit for the third quarter totaled \$3.3 million, resulting in a gross margin of 32%, compared to gross profit for the second quarter 2011 of \$7.9 million and a gross margin of 74%. Gross margin for both the third and second quarter reflect the ongoing, but declining, margin positive impact of significant instrument component costs that were expensed during prior periods. During development, costs relating to instrument components and manufacturing costs were expensed until commercial production started.

Research and development expense during the third quarter of 2011 totaled \$20.0 million representing a 2% increase compared to \$19.5 million for the second quarter. The reported expense includes non-cash stock-based compensation totaling \$1.6 million and \$1.5 million for the third and second quarters of 2011, respectively.

Selling, general, and administrative expense during the third quarter of 2011 totaled \$12.8 million representing a 16% increase compared to \$11.0 million for the second quarter. The reported expense includes non-cash stock-based compensation totaling \$1.4 million and \$1.3 million for the third and second quarters of 2011, respectively.

As announced on September 20, 2011, in consideration of uncertainties associated with the economic environment and to position the Company for long-term success, the Company implemented a reduction of approximately 28% of its total workforce. During the third quarter the Company recorded reduction related charges totaling \$4.9 million, comprised primarily of personnel separation costs paid during the third quarter and those expected to be paid during the fourth quarter. Research and development and sales, general and administrative expenses for the quarter include workforce reduction related charges of \$3.5 million and \$1.4 million, respectively.

Cash and investments at September 30, 2011 totaled \$193.7 million compared to \$216.6 million at June 30, 2011.

Quarterly Conference Call Information

Management will host a quarterly conference call to discuss its Third Quarter 2011 results today at 4:30pm Eastern / 1:30pm Pacific. Investors may listen to the call by dialing 866.831.6267, or if outside the U.S., by dialing +1.617.213.8857, and entering passcode 76006005. The call will be webcast live and will be available for replay at Pacific Biosciences' website at <http://investor.pacificbiosciences.com/>.

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 margins and restructuring costs. 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 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.

Trevin Rard
650.521.8450
ir@pacificbiosciences.com

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

	Quarters Ended		
	September 30, 2011	June 30, 2011	September 30, 2010
Revenue:			
Product revenue	\$ 9,819	\$ 10,148	\$ —
Service and other revenue	535	192	—
Grant revenue	165	290	220
Total revenue	<u>10,519</u>	<u>10,630</u>	<u>220</u>
Cost of revenue:			
Cost of product revenue	6,546	2,537	—
Cost of service and other revenue	645	194	—
Total cost of revenue	<u>7,191</u>	<u>2,731</u>	<u>—</u>
Gross profit	<u>3,328</u>	<u>7,899</u>	<u>220</u>
Operating expense:			
Research and development	20,001	19,546	32,873
Sales, general and administrative	12,764	11,016	8,043
Total operating expense	<u>32,765</u>	<u>30,562</u>	<u>40,916</u>
Operating loss	(29,437)	(22,663)	(40,696)
Other income (expense), net	156	188	(12)
Net loss	<u>\$ (29,281)</u>	<u>\$ (22,475)</u>	<u>\$ (40,708)</u>
Basic and diluted net loss per share	<u>\$ (0.54)</u>	<u>\$ (0.42)</u>	<u>\$ (39.70)</u>
Shares used in computing basic and diluted net loss per share	<u>54,283,162</u>	<u>53,413,565</u>	<u>1,025,326</u>

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

	Year to Date	
	September 30, 2011	September 30, 2010
Revenue:		
Product revenue	\$ 19,966	\$ —
Service and other revenue	728	—
Grant revenue	725	1,394
Total revenue	<u>21,419</u>	<u>1,394</u>
Cost of revenue:		
Cost of product revenue	9,083	—
Cost of service and other revenue	839	—
Total cost of revenue	<u>9,922</u>	<u>—</u>
Gross profit	<u>11,497</u>	<u>1,394</u>
Operating expense:		
Research and development	63,665	85,279
Sales, general and administrative	34,899	19,760
Total operating expense	<u>98,564</u>	<u>105,039</u>
Operating loss	(87,067)	(103,645)
Other income (expense), net	502	(102)
Net loss	<u>\$ (86,565)</u>	<u>\$ (103,747)</u>
Basic and diluted net loss per share	<u>\$ (1.62)</u>	<u>\$ (134.07)</u>
Shares used in computing basic and diluted net loss per share	<u>53,465,836</u>	<u>773,839</u>

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

	September 30, 2011 (unaudited)	June 30, 2011 (unaudited)	December 31, 2010 (1)
Assets			
Cash and investments	\$ 193,696	\$ 216,588	\$ 283,674
Accounts receivable	4,434	5,437	341
Inventory	20,262	19,552	6,864
Prepaid and other current assets	1,890	3,151	2,235
Total current assets	220,282	244,728	293,114
Property and equipment	17,359	16,180	12,311
Other assets	319	312	322
Total Assets	\$ 237,960	\$ 261,220	\$ 305,747
Liabilities and Stockholders' Equity			
Accounts payable	\$ 8,158	\$ 9,032	\$ 9,515
Deferred revenue	3,970	2,381	3,221
Accrued and other current liabilities	9,004	10,050	8,104
Total current liabilities	21,132	21,463	20,840
Facility financing and deferred rent	6,145	6,431	5,041
Stockholders' equity	210,684	233,326	279,866
Total Liabilities and Stockholders' Equity	\$ 237,961	\$ 261,220	\$ 305,747

Note 1: The condensed consolidated balance sheet at December 31, 2010 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, 2010.



Pacific Biosciences Appoints Michael W. Hunkapiller as Executive Chairman

MENLO PARK, Calif. – October 27, 2011 – Pacific Biosciences of California, Inc. (NASDAQ: PACB), provider of Single Molecule Real Time (SMRT®) sequencing products, today announced the appointment of Michael W. Hunkapiller, Ph.D., as Executive Chairman of its Board of Directors. Dr. Hunkapiller, a General Partner at Alloy Ventures and former President and General Manager of Applied Biosystems (now part of Life Technologies, NASDAQ: LIFE), has been a member of the PacBio Board since 2005. Hugh Martin remains the company's President and Chief Executive Officer.

"Mike has been a driving force in the sequencing industry for three decades, and we are honored that he has agreed to take a more active role with PacBio," said Hugh Martin. "We look forward to being able to draw more heavily on his expertise, experience and relationships with customers in the life science tools market."

Dr. Hunkapiller commented: "I have spent much of my career on the leading edge of sequencing technology and I believe PacBio's single molecule, real-time technology will disrupt the sequencing market. I am delighted that Hugh and the Board asked me to take on this newly created role and look forward to devoting more time to advising the company on how to accelerate adoption of their products in important applications."

A renowned scientist, entrepreneur and life science industry executive, Dr. Hunkapiller spent 21 years at Applied Biosystems (ABI), which he co-founded and helped grow from startup to nearly \$2 billion in annual revenues supplying instrument and reagent systems for life science research. He was also a founder of ABI's sister company Celera Genomics and Senior Vice President of Applied Biosystems (their parent company). Prior to joining ABI, Mike was a senior research fellow in the Division of Biology at the California Institute of Technology.

For more information about Pacific Biosciences, please visit www.pacificbiosciences.com. You can also follow the company on twitter www.twitter.com/pacbio.

About Pacific Biosciences

Pacific Biosciences' mission is to transform the way humankind acquires, processes and interprets data from living systems through the design, development and commercialization of innovative tools for biological research. The company has developed a novel approach to studying the synthesis and regulation of DNA, RNA and proteins. Combining recent advances in nanofabrication, biochemistry, molecular biology, surface chemistry and optics, Pacific Biosciences has created a powerful technology platform called single molecule, real-time, or SMRT®, technology. SMRT technology enables real-time analysis of biomolecules with single molecule resolution, which has the potential to transform the understanding of biological systems by providing a window into these systems that has not previously been open for scientific study.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements may contain words such as “believe,” “may,” “estimate,” “anticipate,” “continue,” “intend,” “expect,” “plan,” the negative of these terms, or other similar expressions, and include the assumptions that underlie such statements. Such statements include, but are not limited to, statements regarding the Company’s SMRT technology. These statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to risks discussed from time to time in documents Pacific Biosciences of California, Inc. has filed with the Securities and Exchange Commission, including the risks identified under the section captioned “Risk Factors” in its recently filed Quarterly Report on Form 10-Q. All forward-looking statements are based on estimates, projections and assumptions as of the date hereof. Pacific Biosciences undertakes no obligation to update any forward-looking statements.

Contacts:**Media:**

Nicole Litchfield
For Pacific Biosciences
415.793.6468
nicole@bioscribe.com

Investors:

Trevin Rard
Pacific Biosciences
650.521.8450
ir@pacificbiosciences.com