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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported)  
April 23, 2013**

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**Pacific Biosciences of California, Inc.**

(Exact name of registrant as specified in its charter)

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**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)

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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))
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**ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On April 23, 2013, Pacific Biosciences of California, Inc. (the "Company") released its financial results for the quarter ended March 31, 2013. The Company's unaudited Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations and Comprehensive Loss and Condensed Consolidated Statements of Cash Flows are included as Exhibits 99.1, 99.2 and 99.3 hereto, respectively, and are incorporated herein by reference.

Revenue for the quarter ended March 31, 2013 totaled \$5.6 million compared to \$10.0 million for the quarter ended March 31, 2012.

As of March 31, 2013, the Company's backlog was comprised of six instruments. The Company generally expects to convert backlog to revenue within two quarters. Instrument orders booked increased to four in the first quarter of 2013 from two in the first quarter of 2012.

Gross profit for the quarter ended March 31, 2013 totaled \$0.9 million, resulting in a gross margin of 17%, compared to a \$0.2 million gross loss for the quarter ended March 31, 2012 and a negative gross margin of 2%. Cost of revenue for the first quarter of 2012 included \$0.7 million of expense associated with the Company's C2 product release, including the write-off of certain inventory and field upgrade costs.

Operating expenses totaled \$21.5 million for the quarter ended March 31, 2013 compared to \$27.4 million for the quarter ended March 31, 2012. The decrease in operating expenses of approximately \$5.9 million was primarily attributed to a \$4.5 million decrease in legal and other professional and consulting expenses primarily related to litigation, including settlement charges of \$1.8 million relating to the resolution of two intellectual property matters during the first quarter of 2012. Additionally, marketing and travel related costs decreased by approximately \$1.0 million due partly to lower expenses incurred for trade show and conference expenses, and a \$0.3 million benefit to operating expenses was recognized in the first quarter of 2013 as a result of a state and local tax refund.

Cash and investments increased by approximately \$11.7 million from \$100.6 million as of December 31, 2012 to \$112.3 million as of March 31, 2013. Significant financing activities during the first quarter of 2013 included approximately \$19.8 million of net proceeds received through a debt financing facility entered into with entities affiliated with Deerfield Management Company, L.P. on February 5, 2013 and approximately \$8.7 million in net proceeds received through the sale of common stock under the Company's current "at-the-market" offering program. Refer to Exhibit 99.3 for additional information relating to the Company's cash flows.

This current report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, statements regarding earnings forecasts, future revenue, future revenue implied by existing backlog, gross margins, operating expenses and cash usage. These statements involve significant risks and uncertainties, including those discussed in the Company's most recently filed annual report on Form 10-K, and in other reports filed by the Company with the Securities and Exchange Commission. Because these statements reflect current expectations concerning future events, actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of many factors. The Company is providing this information as of April 23, 2013. The Company undertakes no duty to update any forward-looking statements to reflect the occurrence of events or circumstances after the date of such statements or of anticipated or unanticipated events that alter any assumptions underlying such statements.

The information set forth in this Item 2.02, as well as Exhibit 99.1, 99.2 and 99.3 referenced therein, shall be deemed "filed" for purposes of the Securities Exchange Act of 1934, as amended, and shall be incorporated by reference into the Company's filings under the Securities Act of 1933, as amended.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits.

- 99.1 Condensed Consolidated Balance Sheets (unaudited)
- 99.2 Condensed Consolidated Statements of Operations and Comprehensive Loss (unaudited)
- 99.3 Condensed Consolidated Statements of Cash Flows (unaudited)



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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Condensed Consolidated Balance Sheets (unaudited)
99.2	Condensed Consolidated Statements of Operations and Comprehensive Loss (unaudited)
99.3	Condensed Consolidated Statements of Cash Flows (unaudited)

**PACIFIC BIOSCIENCES OF CALIFORNIA, INC.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

<u>(in thousands except per share amounts)</u>	<u>March 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 53,038	\$ 46,540
Investments	59,267	54,040
Accounts receivable	2,009	2,822
Inventory, net	10,597	9,592
Prepaid expenses and other current assets	1,570	2,006
Total current assets	126,481	115,000
Property and equipment, net	12,779	14,329
Other long-term assets	514	354
Total assets	<u>\$ 139,774</u>	<u>\$ 129,683</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 3,011	\$ 2,988
Accrued expenses and other current liabilities	7,425	8,204
Deferred revenue, current	2,961	3,378
Facility financing obligation, current	182	173
Total current liabilities	13,579	14,743
Deferred revenue, non-current	794	800
Deferred rent and other long-term liabilities	1,895	2,145
Notes payable, non-current	12,851	—
Financing derivative	999	—
Facility financing obligation, non-current	2,565	2,613
Total liabilities	<u>32,683</u>	<u>20,301</u>
Stockholders' equity		
Preferred Stock, \$0.001 par value:		
Authorized 50,000 shares; No shares issued or outstanding at March 31, 2013 and December 31, 2012	—	—
Common Stock and additional paid-in-capital, \$0.001 par value:		
Authorized 1,000,000 shares; Issued and outstanding 60,824 shares at March 31, 2013 and 56,170 shares at December 31, 2012	664,204	645,372
Accumulated other comprehensive income	11	30
Accumulated deficit	(557,124)	(536,020)
Total stockholders' equity	<u>107,091</u>	<u>109,382</u>
Total liabilities and stockholders' equity	<u>\$ 139,774</u>	<u>\$ 129,683</u>

**PACIFIC BIOSCIENCES OF CALIFORNIA, INC.**  
**Condensed Consolidated Statements of Operations and Comprehensive Loss**  
**(Unaudited)**

<u>(in thousands, except per share amounts)</u>	<b>Three-Month Periods Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2013</b>	<b>2012</b>
<b>Revenue:</b>		
Product revenue	\$ 3,833	\$ 8,715
Service and other revenue	1,475	1,053
Grant revenue	270	270
Total revenue	5,578	10,038
<b>Cost of Revenue:</b>		
Cost of product revenue	3,200	8,607
Cost of service and other revenue	1,448	1,583
Total cost of revenue	4,648	10,190
Gross profit (loss)	930	(152)
<b>Operating Expense:</b>		
Research and development	11,983	12,073
Sales, general and administrative	9,554	15,285
Total operating expense	21,537	27,358
<b>Operating loss</b>	(20,607)	(27,510)
Other income (expense), net	(497)	(70)
<b>Net loss</b>	\$ (21,104)	\$ (27,580)
<b>Other comprehensive income (loss):</b>		
Unrealized gain (loss) on investments	(19)	78
<b>Comprehensive loss</b>	\$ (21,123)	\$ (27,502)
<b>Net loss per share:</b>		
Basic and diluted net loss per share	\$ (0.37)	\$ (0.50)
Shares used in computing basic and diluted net loss per share	57,372	55,201

## PACIFIC BIOSCIENCES OF CALIFORNIA, INC.

Condensed Consolidated Statements of Cash Flows  
(Unaudited)

(in thousands)	Three-Month Periods Ended	
	March 31,	
	2013	2012
<b>Cash flows from operating activities</b>		
Net loss	\$ (21,104)	\$ (27,580)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	1,493	1,629
Stock-based compensation	2,746	2,187
Other items	121	53
Changes in assets and liabilities		
Accounts receivable	813	3,052
Inventory	(607)	3,094
Prepaid expenses and other assets	431	245
Accounts payable	22	(492)
Accrued expenses and other current liabilities	(779)	1,220
Deferred revenue	(423)	(489)
Lease incentives and other long-term liabilities	(288)	(257)
Net cash used in operating activities	<u>(17,575)</u>	<u>(17,338)</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(297)	(274)
Purchase of investments	(42,466)	(20,137)
Sales of investments	—	3,500
Maturities of investments	37,180	29,889
Net cash provided by (used in) investing activities	<u>(5,583)</u>	<u>12,978</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net of underwriting fees	10,136	1,755
Proceeds from issuance of debt facility, net of underwriting fees	20,000	—
Debt facility issuance costs	(234)	—
Common stock issuance costs	(246)	—
Net cash provided by financing activities	<u>29,656</u>	<u>1,755</u>
Net increase (decrease) in cash and cash equivalents	6,498	(2,605)
Cash and cash equivalents at beginning of period	46,540	58,865
Cash and cash equivalents at end of period	<u>\$ 53,038</u>	<u>\$ 56,260</u>
<b>Supplemental disclosure of non-cash investing and financing activities</b>		
Inventory transferred to (from) property and equipment	<u>\$ (398)</u>	<u>\$ 602</u>