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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 30, 2014**

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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):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - o 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.**

*This current report on Form 8-K contains forward-looking statements that involve risks and uncertainties. Forward-looking statements are based on management's beliefs and assumptions and on information currently available to them. The Company's actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us and described in the Company's most recently filed Quarterly Report on Form 10-Q, Annual Report on Form 10-K, or the Company's other filings with the SEC, as the case may be. You should not place undue reliance on forward-looking statements, which apply only as of the date of this current report on Form 8-K. The Company assumes no obligation to update these forward-looking statements.*

On April 30, 2014, Pacific Biosciences of California, Inc. (the "Company") released its financial results for the quarter ended March 31, 2014. 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 first quarter of 2014 totaled \$11.6 million, compared to \$5.6 million for the first quarter of 2013. First quarter 2014 revenue reflects the installation of nine PacBio RS II systems, compared to three PacBio RS systems during the first quarter of 2013. Total revenue for the first quarter of 2014 also included \$1.7 million of revenue recognized pursuant to a development agreement the Company entered into with Roche Diagnostics during September 2013. The Company expects 2014 revenue to exceed that recognized during 2013; however, revenue may fluctuate quarter to quarter.

As of March 31, 2014, the Company's backlog was comprised of 13 instruments.

Gross profit for the quarter ended March 31, 2014 totaled \$2.7 million compared to a \$0.9 million gross profit for the same period during 2013. The increase in gross profit from 2013 to 2014 primarily reflects the gross profit realized in 2014 relating to increases in contractual revenue. Gross margin for the first quarter of 2014 was 23.0% compared to 16.7% for the same period during 2013. Gross margin increased primarily due to the increase in contractual revenue partially offset by changes in product mix. Gross margin for the remainder of this year is expected to remain near current levels, subject to fluctuation on a quarterly basis due to the mix of instruments and consumables delivered each quarter and the geographies into which the products are sold.

Operating expenses totaled \$20.9 million for the quarter ended March 31, 2014 compared to \$21.5 million for the quarter ended March 31, 2013. Operating expenses for the first quarter of 2014 and 2013 included non-cash stock-based compensation of \$2.1 million and \$2.6 million, respectively. The Company anticipates quarterly operating expenses to remain consistent with the current quarter for the remainder of 2014.

Cash and investments at March 31, 2014 totaled \$118.7 million, compared to \$112.5 million at December 31, 2013. During the quarter ended March 31, 2014, the Company received \$20.6 million through the sale of common stock under its current "at-the-market" offering program. Excluding proceeds from the "at-the-market" offering, cash and investments decreased by \$14.4 million compared to December 31, 2013, primarily reflecting \$16.3 million of cash used in operating activities and \$0.5 million of fixed asset purchases partially offset by \$2.3 million of proceeds received from equity sales through the Company's employee equity plans.

This current report on Form 8-K contains forward-looking statements that involve risks and uncertainties. Forward-looking statements are based on management's beliefs and assumptions and on information currently available to them. The Company's actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us and described in the Company's most recently filed Quarterly Report on Form 10-Q, Annual Report on Form 10-K, or the Company's other filings with the SEC, as the case may be. You should not place undue reliance on forward-looking statements, which apply only as of the date of this current report on Form 8-K. The Company assumes no obligation to update these forward-looking 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)

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## PACIFIC BIOSCIENCES OF CALIFORNIA, INC.

Condensed Consolidated Balance Sheets  
(Unaudited)

<i>(in thousands except par value amounts)</i>	March 31, 2014	December 31, 2013
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 41,261	\$ 26,362
Investments	77,475	86,166
Accounts receivable	3,383	2,746
Inventory, net	8,301	10,050
Prepaid expenses and other current assets	1,642	1,135
Total current assets	132,062	126,459
Property and equipment, net	8,492	9,236
Other long-term assets	486	490
Total assets	\$ 141,040	\$ 136,185
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 3,926	\$ 1,717
Accrued expenses and other current liabilities	7,678	9,797
Deferred service revenue, current	3,904	4,046
Deferred contractual revenue, current	6,785	6,785
Facility financing obligation, current	220	210
Total current liabilities	22,513	22,555
Deferred service revenue, non-current	918	518
Deferred contractual revenue, non-current	24,823	26,519
Facility financing obligation, non-current	2,345	2,403
Deferred rent and other long-term liabilities	842	1,114
Notes payable	13,525	13,347
Financing derivative	549	549
Total liabilities	65,515	67,005
Commitments and contingencies		
Stockholders' equity		
Preferred Stock, \$0.001 par value:		
Authorized 50,000 shares; No shares issued or outstanding	—	—
Common Stock, \$0.001 par value:		
Authorized 1,000,000 shares; Issued and outstanding 70,472 shares at March 31, 2014 and 66,275 shares at December 31, 2013, respectively	70	66
Additional paid-in capital	709,636	684,413
Accumulated other comprehensive income	18	14
Accumulated deficit	(634,199)	(615,313)
Total stockholders' equity	75,525	69,180
Total liabilities and stockholders' equity	\$ 141,040	\$ 136,185

## PACIFIC BIOSCIENCES OF CALIFORNIA, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss  
(Unaudited)

(in thousands, except per share amounts)	Three-Month Periods Ended March 31,	
	2014	2013
Revenue:		
Product revenue	\$ 7,865	\$ 3,833
Service and other revenue	2,081	1,745
Contractual revenue	1,696	—
Total revenue	11,642	5,578
Cost of Revenue:		
Cost of product revenue	7,169	3,200
Cost of service and other revenue	1,797	1,448
Total cost of revenue	8,966	4,648
Gross profit	2,676	930
Operating Expense:		
Research and development	11,771	11,983
Sales, general and administrative	9,150	9,554
Total operating expense	20,921	21,537
Operating loss	(18,245)	(20,607)
Interest expense	(686)	(426)
Other income (expense), net	45	(71)
Net loss	(18,886)	(21,104)
Other comprehensive income (loss):		
Unrealized gain (loss) on investments	4	(19)
Comprehensive loss	\$ (18,882)	\$ (21,123)
Net loss per share:		
Basic and diluted net loss per share	\$ (0.28)	\$ (0.37)
Shares used in computing basic and diluted net loss per share	67,861	57,372

## PACIFIC BIOSCIENCES OF CALIFORNIA, INC.

Condensed Consolidated Statements of Cash Flows  
(Unaudited)

(in thousands)	Three-Month Periods Ended March 31,	
	2014	2013
<b>Cash flows from operating activities</b>		
Net loss	\$ (18,886)	\$ (21,104)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	1,221	1,493
Amortization of debt discount and financing costs	182	89
Stock-based compensation	2,270	2,746
Other	—	32
Changes in assets and liabilities		
Accounts receivable	(637)	813
Inventory	1,749	(607)
Prepaid expenses and other assets	(487)	431
Accounts payable	2,209	22
Accrued expenses and other current liabilities	(2,119)	(779)
Deferred service revenue	258	(423)
Deferred contractual revenue	(1,696)	—
Deferred rent and other long-term liabilities	(320)	(288)
Net cash used in operating activities	(16,256)	(17,575)
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(477)	(297)
Purchase of investments	(36,515)	(42,466)
Maturities of investments	45,190	37,180
Net cash provided by (used in) investing activities	8,198	(5,583)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock from equity plans	2,311	1,235
Proceeds from issuance of common stock from at-the-market equity offering, net of issuance costs	20,646	8,655
Proceeds from issuance of Facility Agreement, net of issuance costs	—	19,766
Net cash provided by financing activities	22,957	29,656
Net increase in cash and cash equivalents	14,899	6,498
Cash and cash equivalents at beginning of period	26,362	46,540
Cash and cash equivalents at end of period	\$ 41,261	\$ 53,038