

**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**

July 28, 2004

Date of Report (date of earliest event reported)

CYTOKINETICS, INCORPORATED

(Exact name of Registrant as specified in its charter)

<u>State of Delaware</u> (State or other jurisdiction of incorporation or organization)	<u>000-50633</u> (Commission File Number)	<u>94-3291317</u> (I.R.S. Employer Identification Number)
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**280 East Grand Avenue
South San Francisco, California 94080**

(Address of principal executive offices)

(650) 624-3000

(Registrant's telephone number, including area code)

N/A

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

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Item 7. Financial Statements and Exhibits

(c) Exhibits

Exhibit No.	Description
99.1	Press Release, dated as of July 28, 2004.

Item 12. Results of Operations and Financial Condition.

On July 28, 2004, we issued a press release announcing our second quarter 2004 results. The press release is attached hereto as Exhibit 99.1. This Exhibit is not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), but is instead furnished. The Exhibit is not 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.

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.

CYTOKINETICS, INCORPORATED

By: /s/ James H. Sabry
James H. Sabry
President and Chief Executive Officer

Date: July 28, 2004

INDEX TO EXHIBITS

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99.1	Press Release, dated as of July 28, 2004.

Cytokinetics, Inc.
Robert I. Blum
EVP, Finance and Corporate Development, and CFO
(650) 624-3000

Burns McClellan, Inc.
Jonathan M. Nugent (investors)
Justin Jackson (media)
(212) 213-0006

CYTOKINETICS, INCORPORATED REPORTS SECOND QUARTER FINANCIAL RESULTS

COMPANY COMPLETED IPO AND ADVANCED DRUG CANDIDATES IN COLLABORATION WITH
GLAXOSMITHKLINE

FOR IMMEDIATE RELEASE

SOUTH SAN FRANCISCO, CA, JULY 28, 2004 - Cytokinetics, Incorporated (Nasdaq: CYTK) today reported financial results for the six months ended June 30, 2004. Revenues for the second quarter of 2004 were \$2.9 million, compared to \$2.6 million for the same period in 2003, an increase of 12%. For the second quarter of 2004, Cytokinetics reported a net loss of \$9.2 million compared to \$7.7 million in the same period of 2003, a 19% increase. As of June 30, 2004, cash, cash equivalents, restricted cash and marketable securities totaled \$137.0 million compared to \$50.3 million at December 31, 2003, a 172% increase.

"In May of this year, Cytokinetics successfully completed an initial public offering which, together with an additional investment from GlaxoSmithKline, has provided us with over \$100 million to support our continuing research and development activities," stated James Sabry, President and Chief Executive Officer. "We are encouraged by the validation that this recent financing evidences in support of the progress we are making in advancing next-generation drug candidates against cytoskeletal protein targets. In particular, in oncology, our lead cancer drug candidate SB-715992 is the subject of ongoing Phase I and II studies while our second drug candidate SB-743921 is the subject of ongoing Phase I studies. Both of these compounds are being developed by GlaxoSmithKline in collaboration with Cytokinetics and together we look forward to data which may inform the potential clinical utility of this novel approach to cancer therapy."

SECOND QUARTER HIGHLIGHTS

- IPO: On May 4, 2004, Cytokinetics announced the closing of its initial public offering. The total gross proceeds of the IPO were approximately \$103.2 million. The total net proceeds to Cytokinetics, before offering expenses and after deducting underwriting discounts and commissions, were approximately \$96.0 million.
- SB-715992: GlaxoSmithKline (GSK) continued to enroll patients in a Phase II clinical trial in both the United States and Europe for this novel KSP inhibitor for the treatment of non-small cell lung cancer.
- SB-715992: GSK initiated a Phase Ib clinical trial for this drug candidate in combination with docetaxel in the United Kingdom. Other Phase Ib studies are expected to begin in multiple tumor types in 2004.
- SB-743921: GSK initiated a Phase I clinical trial for this second novel KSP inhibitor in the United States to evaluate its tolerability and pharmacokinetics in advanced cancer patients.

RECENT DEVELOPMENTS

SB-715992: In July, GSK initiated a second Phase II clinical trial for this drug candidate in the United States for the treatment of breast cancer. Other Phase II studies are expected to begin in a broad array of tumor types in 2004.

CK-1213296: Cytokinetics is advancing a series of novel cardiac myosin activators towards preclinical development. Previously, the company had announced that it expected to file an investigational new drug application (IND) to begin clinical trials to evaluate one such compound, CK-1213296, in the treatment of acute congestive heart failure in the second half of 2004. In recent months however, Cytokinetics' scientists have identified certain pre-clinical issues with this specific compound which require further

characterization and which will contribute to a delay in the expected start of these human studies. Furthermore, more recently, Cytokinetics' scientists have synthesized and optimized several other cardiac myosin activators that may have more attractive properties than CK-1213296. While preclinical development of CK-1213296 continues, the company has decided to evaluate the newer compounds in comparison with CK-1213296 and now plans to put one of the compounds from this program into human clinical studies in 2005 rather than in 2004.

- more -

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SECOND QUARTER FINANCIALS

Cytokinetics' revenues increased to \$2.9 million in the second quarter of 2004 from \$2.6 million in the same period last year, due to an increase in the amounts paid by GSK and AstraZeneca under the Company's collaborations. Cytokinetics' revenues have historically fluctuated from quarter to quarter and year to year and may continue to fluctuate in future periods due primarily to the nature of the Company's collaboration activities and research funding.

Research and development expenses for the second quarter of 2004 increased to \$9.7 million from \$7.3 million in the second quarter of 2003. Expenses related to the development of the Company's drug candidates for the treatment of acute congestive heart failure and to research in the fungal disease program are the primary reasons for the increased spending. General and administrative expenses decreased to \$2.7 million in the second quarter of 2004. This is a reduction from \$3.0 million in the second quarter of 2003. This \$0.3 million decrease was attributable to a decrease in outside services.

Interest and other income increased to \$0.8 million for the second quarter of 2004 from \$0.7 million for the second quarter last year. The increase was due to a higher yield on Cytokinetics' investment portfolio. Interest and other expense decreased to \$0.5 million from \$0.7 million primarily due to a debt restructure, resulting in a lower interest rate of the equipment financing line.

CONFERENCE CALL AND WEBCAST INFORMATION

James Sabry, M.D., Ph.D, President and CEO, and Robert Blum, Executive Vice President, Corporate Development & Finance and CFO, will review second quarter results via webcast and conference call later today at 4:30 PM EDT. To access the live webcast, please log on in the Investor Relations section of Cytokinetics' website at www.cytokinetics.com. Investors, members of the news media and the general public may also access the live conference call and a replay of the call by dialing either 800-901-5241 (United States and Canada) or 617-786-2963 (International) and typing in the passcode 63694448. The replay of the call and webcast will be available through August 28, 2004.

ABOUT CYTOKINETICS

Cytokinetics is a leading biopharmaceutical company focused on the discovery, development and commercialization of novel small molecule drugs that specifically target the cytoskeleton. The cytoskeleton is a complex biological infrastructure that plays a fundamental role within every human cell. Cytokinetics' focus on the cytoskeleton enables it to develop novel and potentially safer and more effective classes of drugs directed at treatments for cancer, cardiovascular disease, fungal diseases and other diseases. Cytokinetics has developed a cell biology driven approach and proprietary technologies to evaluate the function of many interacting proteins in the complex environment of the intact human cell. Cytokinetics employs the PUMA(TM) system and Cytometrix(TM) technologies to enable early identification and automated prioritization of compounds that are highly selective for their intended protein targets without other cellular effects, and are thereby less likely to give rise to clinical side effects. Cytokinetics and GlaxoSmithKline have entered into a strategic alliance to discover, develop and commercialize small molecule therapeutics targeting human mitotic kinesins for applications in the treatment of cancer and other diseases. GlaxoSmithKline is conducting Phase II clinical trials for SB-715992 and a Phase I clinical trial with SB-743921, each a drug candidate that has emerged from the strategic alliance. Additional information about Cytokinetics can be obtained at www.cytokinetics.com.

This press release contains forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995 (the "Act"). Cytokinetics disclaims any intent or obligation to update these forward-looking statements, and claims the protection of the Safe Harbor for forward-looking statements contained in the Act. Examples of such statements include, but are not limited to, statements relating to the expected schedule of clinical development of SB-715992 and SB-743921, the expected timing of commencement of clinical studies of CK-1213296 or other compounds in the cardiovascular program, the progress of Cytokinetics' research programs and statements regarding the potential benefits of the Cytokinetics' drug candidates and the enabling capabilities of its proprietary technologies. Such statements are based on management's current expectations, but actual results may differ materially due to various factors. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to difficulties or delays in development, testing, regulatory approval, production and marketing of Cytokinetics' drug candidates that could slow or prevent clinical development, product approval or market acceptance (including the risk that uncertainty of patent protection for Cytokinetics' intellectual property or trade secrets, Cytokinetics' ability to obtain additional financing if necessary and unanticipated research and development and other costs). For further information regarding these and other risks related to Cytokinetics' business, investors should consult Cytokinetics' filings with the Securities and Exchange Commission.

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CONDENSED STATEMENT OF OPERATIONS
 (IN THOUSANDS, EXCEPT PER SHARE DATA)
 (UNAUDITED)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2004 ----	JUNE 30, 2003 ----	JUNE 30, 2004 ----	JUNE 30, 2003 ----
Revenues:				
Research and development and grant revenues	\$ 2,200	\$ 1,854	\$ 7,367	\$ 3,903
License fees	700	700	1,400	1,400
Total revenues	2,900	2,554	8,767	5,303
Operating Expenses:				
Research and development	9,749	7,286	19,109	15,042
General and administrative	2,672	3,040	5,147	5,162
Total operating expenses	12,421	10,326	24,256	20,204
Operating loss:	(9,521)	(7,772)	(15,489)	(14,901)
Interest and other income	780	720	1,299	1,112
Interest and other expense	(490)	(683)	(973)	(1,076)
Net loss	\$ (9,231)	\$ (7,735)	\$ (15,163)	\$ (14,865)
Net loss per common share:				
Basic and diluted	\$ (0.46)	\$ (4.11)	\$ (1.36)	\$ (7.96)
Weighted average shares used in computing net loss per common share, basic and diluted	19,905,294	1,881,601	11,111,903	1,868,496
Proforma net loss per common share, basic and diluted (unaudited)		(0.41)		(0.78)
Weighted average shares used in computing net loss per common share, basic and diluted (unaudited)		18,981,225		18,968,120

Each outstanding share of preferred stock of the Company automatically converted into one share of common stock upon completion of the Company's initial public offering. Accordingly, pro forma basic and diluted net loss per common share has been calculated assuming the preferred stock was converted as of the original date of issuance of the preferred stock. Pro forma common shares outstanding for

the quarter ended June 30, 2003 of 18,981,225 is based on the conversion of 34,127,308 shares of our convertible preferred stock into 17,099,624 shares of common stock on a weighted average basis as of June 30, 2003. Pro forma common shares outstanding for the six months ended June 30, 2003 of 18,968,120 shares is based on the conversion of 34,127,308 shares of our convertible preferred stock into 17,099,624 shares of common stock on a weighted average basis as of June 30, 2003.

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CONDENSED BALANCE SHEET DATA
 (IN THOUSANDS)
 (UNAUDITED)

	JUNE 30, 2004 -----	DECEMBER 31, 2003 -----
ASSETS		
Cash and cash equivalents	\$ 18,645	\$ 10,991
Short term investments	101,274	24,197
Other current assets	2,858 -----	1,888 -----
Total current assets	122,777	37,076
Property and equipment, net	7,764	8,870
Non-current and restricted investments	6,669	8,345
Investments	11,550	7,857
Other assets	743 -----	725 -----
TOTAL ASSETS	\$149,503 =====	\$ 62,873 =====
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities	\$ 10,468	\$ 9,457
Long-term obligations	11,010	12,275
Preferred stock	--	133,172
Stockholders' equity (deficit)	128,025 -----	(92,031) -----
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)	\$149,503 =====	\$ 62,873 =====