Exhibit T

PACIFIC BIOSCIENCES OF CALIFORNIA INC

1380 WILLOW ROAD
MENLO PARK, CA 94025
650−521−8000

10−K

FORM 10−K
Filed on 03/23/2011 − Period: 12/31/2010
File Number 001−34899



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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10−K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2010
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission File Number 001−34899

Pacific Biosciences of California, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**16−1590339**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1380 Willow Road Menlo Park, CA 94025	**94025**
(Address of principal executive offices)	**(Zip Code)**

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $0.001 per share	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well−known, seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S−T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S−K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10−K or any amendment to this Form 10−K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non−accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b−2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non−accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b−2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2010, the last business day of the registrant's most recently completed second fiscal quarter, the registrant's common stock was not publicly traded. The registrant's common stock began trading on the NASDAQ Global Select Market on October 27, 2010. As of December 31, 2010, the aggregate market value of the voting stock held by non−affiliates of the registrant was approximately $472.6 million, based on the closing price of the registrant's common stock on the NASDAQ Global Select Market on December 31, 2010.

Number of shares outstanding of the issuer's common stock as of February 28, 2011: 52,895,638

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive Proxy Statement relating to its 2011 Annual Meeting of Stockholders to be held on June 23, 2011 are incorporated by reference into Part III of this Form 10−K where indicated. Such Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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- ***Ease of use.*** Our system is easy to use and adopt because it is compatible with existing lab workflows and informatics infrastructures. Our SMRTbell sample preparation protocol is designed to be simple and fast. It can be used with a variety of sample types and can output a range of DNA lengths. The PacBio *RS* is equipped with a touchscreen interface that requires minimal user intervention. The data format has been designed to be compatible with standard informatics systems. We believe that these attributes will allow for easy training and rapid adoption at customer sites.
- ***Flexibility and granularity.*** The PacBio *RS* system offers multiple protocols, including standard, circular consensus, and strobe sequencing, enabling the user to optimize performance based on the needs for a particular project. The system also has the ability to scale the throughput and cost of sequencing across a range of small and large projects.
- ***Ability to observe and capture kinetic information.*** The ability to observe the activity of a DNA polymerase in real time enables the PacBio *RS* to collect, measure and assess the dynamics and timing of nucleotides being added to a growing DNA strand, referred to as kinetics. It is well established in the scientific community that chemical modification of DNA such as the addition of a methyl group, known as methylation, can alter the biological activity of the affected nucleotide. The PacBio *RS* detects changes in kinetics automatically by capturing and recording changes in the duration of, and distances between, each of the fluorescent pulses during a typical sequencing analysis. First and second generation sequencing systems are unable to accurately record this type of kinetic data because the "flush and scan" sequencing process disrupts the timing of the natural incorporation process.

Our Products

We are preparing to enter the market with our first product, the PacBio *RS*, a third generation sequencing instrument that provides real-time information at the single molecule level. The initial application for the system is DNA sequencing, and the architectural design of the system will enable a broader range of applications over time. The instrument is designed for expandable capability to permit performance improvements and new applications to be delivered through chemistry and software enhancements without necessitating changes to the hardware.

Our sequencing system includes the PacBio *RS* instrument and proprietary consumables, including SMRT Cells and reagent kits, providing a complete solution to the customer.

The PacBio RS

The PacBio *RS* is an instrument that conducts, monitors and analyzes biochemical sequencing reactions. The instrument is an integrated unit that includes high performance optics, automated liquid handling, a touchscreen control interface, a computational Blade Center and software. The instrument's high performance optics monitor the thousands of ZMWs in real time. The automated liquid handling robotics perform reagent mixing and prepare SMRT Cells. The instrument's touchscreen control interface, the *RS* Touch, is the user's primary control center to design and monitor experiments as they occur in real time. The Blade Center is the computational brain of the PacBio *RS,* responsible for the secondary processing of the sequencing data being produced on the SMRT Cells. The PacBio *RS* has been designed to allow for performance improvements without an upgrade or replacement of the instrument hardware.

Consumables

To run our PacBio *RS*, our customers must purchase our proprietary consumable products. Our consumable products include our proprietary SMRT Cells and reagent kits. One SMRT Cell is consumed per sequencing reaction on the PacBio *RS*. Eight SMRT Cells are individually hermetically sealed and packaged together into a streamlined 8Pac format. This enables a researcher to use one or more SMRT Cells per run.