

**Cytokinetics, Incorporated**  
**Condensed Statement of Operations**  
(in thousands, except share and per share data)  
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Revenues:				
Research and development	\$ 622	\$ 16	\$ 641	\$ 27
License revenues	71,308	3,058	74,367	6,117
	<u>71,930</u>	<u>3,074</u>	<u>75,008</u>	<u>6,144</u>
Total revenues				
	<u>71,930</u>	<u>3,074</u>	<u>75,008</u>	<u>6,144</u>
Operating Expenses:				
Research and development	10,202	14,859	20,161	28,961
General and administrative	4,127	4,252	8,147	8,409
Restructuring charges	56	-	(2)	-
	<u>14,385</u>	<u>19,111</u>	<u>28,306</u>	<u>37,370</u>
Total operating expenses				
	<u>14,385</u>	<u>19,111</u>	<u>28,306</u>	<u>37,370</u>
Operating income (loss):	57,545	(16,037)	46,702	(31,226)
Interest and other, net	(1,586)	673	(1,428)	1,968
	<u>(1,586)</u>	<u>673</u>	<u>(1,428)</u>	<u>1,968</u>
Net income (loss)	<u>\$ 55,959</u>	<u>\$ (15,364)</u>	<u>\$ 45,274</u>	<u>\$ (29,258)</u>
Basic net income (loss) per common share	\$ 0.99	\$ (0.31)	\$ 0.84	\$ (0.59)
Diluted net income (loss) per common share	\$ 0.98	\$ (0.31)	\$ 0.83	\$ (0.59)
Shares used in calculating:				
Basic net income (loss) per common share	56,454,574	49,365,685	54,031,708	49,329,775
Diluted net income (loss) per common share	56,902,550	49,365,685	54,449,630	49,329,775

Cytokinetics, Incorporated  
Condensed Balance Sheet  
(in thousands)  
(unaudited)

	<u>June 30,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 85,032	\$ 41,819
Short term investments	29,691	15,048
Investment in auction rate securities	17,254	-
Investment put option	2,721	-
Other current assets	<u>2,402</u>	<u>2,043</u>
Total current assets	137,100	58,910
Investment in auction rate securities	-	16,636
Investment put option	-	3,389
Property and equipment, net	4,249	5,087
Restricted investments	2,232	2,750
Other assets	<u>488</u>	<u>682</u>
<b>Total assets</b>	<b>\$ <u><u>144,069</u></u></b>	<b>\$ <u><u>87,454</u></u></b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities	\$ 23,248	\$ 22,877
Long-term obligations	1,757	14,811
Stockholders' equity	<u>119,064</u>	<u>49,766</u>
<b>Total liabilities and stockholders' equity</b>	<b>\$ <u><u>144,069</u></u></b>	<b>\$ <u><u>87,454</u></u></b>

Cytokinetics, Incorporated  
Reconciliation of GAAP amounts to non-GAAP amounts  
(Unaudited)  
(In thousands)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
GAAP net income (loss)	\$ 55,959	\$ (15,364)	\$ 45,274	\$ (29,258)
Non-cash deferred revenue related to Amgen collaboration	(21,418)	(3,058)	(24,493)	(6,117)
Non-cash warrant expense	1,585	-	1,585	-
Non-cash stock-based compensation	1,224	1,347	2,473	2,873
Non-cash depreciation, amortization, and other	576	668	1,023	1,331
Non-GAAP net income (loss)	<u>\$ 37,926</u>	<u>\$ (16,407)</u>	<u>\$ 25,862</u>	<u>\$ (31,171)</u>