

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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) **August 9, 2007**

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**Pain Therapeutics**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-29959**  
(Commission File Number)

**91-1911336**  
(IRS Employer Identification No.)

**416 Browning Way, South San Francisco, CA**  
(Address of principal executive offices)

**94080**  
(Zip Code)

Registrant's telephone number, including area code: **(650) 624-8200**

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

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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12(b) 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 August 9, 2007 Pain Therapeutics, Inc. (the "Company") issued a press release announcing the Company's financial results for the three and six months ended June 30, 2007. A copy of the press release has been furnished as an exhibit to this report and is incorporated by reference herein.

The information in this Current Report on Form 8-K and in Exhibit 99.1 shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference into any registration statement or other document filed or furnished pursuant to the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such document.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

The following exhibit is furnished as part of this Current Report on Form 8-K.

**Exhibit  
Number      Description**

99.1      Press Release of Pain Therapeutics, Inc. dated August 9, 2007.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Pain Therapeutics**

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(Registrant)

/s/ **PETER S. RODDY**

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**August 9, 2007**

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(Date)

Peter S. Roddy  
*Chief Financial Officer*

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## **Exhibit Index**

99.1 Press release dated August 9, 2007

## Pain Therapeutics Announces Second Quarter 2007 Financial Results

SOUTH SAN FRANCISCO, Calif. , Aug. 9, 2007 (PRIME NEWSWIRE) -- Pain Therapeutics, Inc. (Nasdaq:PTIE) today reported financial results for the three and six months ended June 30, 2007. Net income for the quarter ended June 30, 2007 was \$3.4 million, or \$0.07 per diluted share, compared to \$1.4 million, or \$0.03 per share, in the second quarter of 2006. Net income for the six months ended June 30, 2007 was \$16.0 million, or \$0.35 per diluted share, compared to \$2.2 million, or \$0.05 per share, for the same period in 2006.

Cash, cash equivalents and marketable securities were \$206.3 million at June 30, 2007. Pain Therapeutics continues to expect its 2007 net cash requirements to be approximately \$10.0 million, plus any amounts related to a previously announced stock buyback plan of up to \$20.0 million of its common stock. As of June 30, 2007 we had purchased \$3.8 million of our common stock on the open market.

### Financial Highlights

- We have a collaboration with King Pharmaceuticals, Inc. ("King") to develop Remoxy(tm) and other abuse-deterrent opioid painkillers. Collaboration revenues were \$7.5 million and \$23.0 million in the three and six months ended June 30, 2007, respectively and \$7.2 million and \$16.0 million in the three and six months ended June 30, 2006, respectively. Collaboration revenue in the six months ended June 30, 2007 includes reimbursement from King of certain of our development expenses during that period as well as \$5.9 million of expenses we incurred in 2006 related to the collaboration that were not recognized in 2006. King completed its review and reimbursed us for \$5.7 million of these expenses during the three months ended March 31, 2007 and for \$0.2 million of these expenses during the three months ended June 30, 2007.
- On March 29, 2007, we announced a stock buyback plan of up to \$20.0 million of our common stock. As of June 30, 2007 we had purchased \$3.8 million of our common stock on the open market. The total number of shares to be purchased and the timing of purchases will be based on several factors, including the price of the common stock, general market conditions, corporate and regulatory requirements and alternate investment opportunities. We intend to hold repurchased shares in treasury. This stock buyback program expires March 2008 and may be modified or discontinued at any time.
- King gave us an upfront cash payment of \$150.0 million in December 2005. For accounting purposes, we plan to recognize a portion of this cash payment as "program fee revenue" each quarter through July 2011. We recognized program fee revenue of \$6.6 million this quarter.
- Research and development expenses for the second quarter of 2007 increased to \$11.0 million from \$10.2 million for the second quarter of 2006. Research and development expenses for the six months ended June 30, 2007 decreased to \$20.9 million from \$23.0 million for the same period in 2006. These fluctuations were primarily due to the timing of development activities for our abuse-deterrent drug candidates. Research and development expenses included non-cash stock related compensation costs of \$0.8 million in the three months ended June 30, 2007 and 2006 and \$1.5 million and \$1.8 million in the six months ended June 30, 2007 and 2006, respectively.
- General and administrative expenses increased to \$2.1 million from \$2.0 million in the three months ended June 30, 2007 and 2006, respectively, and decreased to \$3.9 million from \$4.0 million in the six months ended June 30, 2007 and 2006, respectively. General and administrative expenses included non-cash stock related compensation costs of \$0.6 million in the three months ended June 30, 2007 and 2006 and \$1.1 million and \$1.4 million in the six months ended June 30, 2007 and 2006, respectively.
- We have not provided for income taxes for the second quarter of 2007 because we do not expect to have taxable income for the full year 2007. Our income before income taxes in 2007 includes program fee revenue. For tax purposes, we recognized all of the related program fee revenue in 2006, which is the primary reason for our expectations for no taxable income for 2007.

Pain Therapeutics is a biopharmaceutical company that develops novel drugs. We have four investigational drug candidates in clinical programs, including Remoxy, Oxytrex(tm), PTI-202 and a novel radio-labeled monoclonal antibody to treat metastatic melanoma. We are also working on a new treatment for patients with hemophilia. The FDA has not yet evaluated the merits, safety or efficacy of our drug candidates. For more information, please visit [www.paintrials.com](http://www.paintrials.com).

Note Regarding Forward-Looking Statements: This press release contains forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995 (the "Act"). Pain Therapeutics 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, any statements relating to the timing, scope or expected outcome of the Company's clinical development of its drug candidates, the potential benefits of the Company's drug candidates, and the Company's expected cash requirements in 2007. 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 and testing of the Company's drug candidates, unexpected adverse side effects or inadequate therapeutic efficacy of the Company's drug candidates (including the risk that current and past results of clinical trials are not necessarily indicative of future results of clinical trials), the uncertainty of patent protection for the Company's intellectual property or trade secrets and unanticipated research and development and other costs. For further information regarding these and other risks related to the Company's business, investors should consult the Company's filings with the Securities and Exchange Commission.

PAIN THERAPEUTICS, INC.  
CONDENSED STATEMENTS OF OPERATIONS  
(in thousands, except per share amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
Revenue				
Program fee revenue	\$ 6,550	\$ 6,550	\$ 13,100	\$ 13,100
Collaboration revenue	7,515	7,196	23,018	15,972
	-----	-----	-----	-----
Total revenue	14,065	13,746	36,118	29,072
Operating expenses				
Research and development	11,044	10,188	20,903	23,042
General and administrative	2,102	2,049	3,940	4,019
	-----	-----	-----	-----
Total operating expenses	13,146	12,237	24,843	27,061
	-----	-----	-----	-----
Operating income	919	1,509	11,275	2,011
Interest and other income	2,446	2,468	4,726	4,556
	-----	-----	-----	-----
Income before provision for income taxes	3,365	3,977	16,001	6,567
Provision for income taxes	--	2,610	--	4,323
	-----	-----	-----	-----
Net income	\$ 3,365	\$ 1,367	\$ 16,001	\$ 2,244
	=====	=====	=====	=====
Earnings per share				
Basic	\$ 0.08	\$ 0.03	\$ 0.36	\$ 0.05
	=====	=====	=====	=====
Diluted	\$ 0.07	\$ 0.03	\$ 0.35	\$ 0.05
	=====	=====	=====	=====
Weighted-average shares used in computing earnings per share				
Basic	44,025	44,138	44,183	44,067

Diluted	45,180	45,258	45,303	45,381
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PAIN THERAPEUTICS, INC.  
CONDENSED BALANCE SHEETS  
(in thousands)

	June 30, 2007 ----- (Unaudited)	December 31, 2006 (1) -----
Assets		
Current assets		
Cash, cash equivalents and marketable securities	\$ 206,327	\$ 204,400
Other current assets	332	2,714
	-----	-----
Total current assets	206,659	207,114
Non-current assets		
Property and equipment, net	1,206	1,267
Other assets	768	75
	-----	-----
Total assets	\$ 208,633 =====	\$ 208,456 =====
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 2,220	\$ 985
Accrued development expense	4,014	5,777
Deferred program fee revenue - current portion	26,200	26,200
Income taxes payable	--	2,779
Other accrued liabilities	1,141	913
	-----	-----
Total current liabilities	33,575	36,654
Non-current liabilities		
Deferred program fee revenue - non-current portion	80,787	93,887
Other liabilities	760	--
	-----	-----
Total liabilities	115,122	130,541
Stockholders' equity		
Common stock	44	44
Additional paid-in-capital	216,077	214,749
Accumulated other comprehensive loss	(177)	(372)
Accumulated deficit	(122,433)	(136,506)
	-----	-----
Total stockholders' equity	93,511	77,915
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Total liabilities and stockholders' equity	\$ 208,633 =====	\$ 208,456 =====

(1) Derived from audited financial statements.

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