

INTERLEUKIN GENETICS INC
Form 10-Q
August 04, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2005

Commission File Number: 0-23413

INTERLEUKIN GENETICS, INC.

(Name of Registrant in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

135 Beaver Street, Waltham, MA

(Address of principal executive offices)

94-3123681

(I.R.S. Employer
Identification No.)

02452

(Zip Code)

Registrant's Telephone Number: **(781) 398-0700**

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

Common Stock, \$0.001 par value per share

Boston Stock Exchange

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

Common Stock, \$0.001 par value per share

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 is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

As of July 31, 2005, there were 23,668,041 shares of the Registrant's Common Stock and 5,000,000 shares of the Registrant's Series A Preferred Stock, issued and outstanding.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

INTERLEUKIN GENETICS, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	June 30, 2005 (Unaudited)	December 31, 2004 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,897,222	\$ 4,528,425
Accounts receivable, net of allowance for doubtful accounts of \$0 in 2005 and 2004	1,270	10,131
Prepaid expenses and other current assets	173,115	182,819
Total current assets	5,071,607	4,721,375
Fixed assets, net	1,012,718	1,142,087
Other assets	381,909	322,039
Total Assets	\$ 6,466,234	\$ 6,185,501
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 140,625	\$ 94,780
Accrued expenses	815,336	914,907
Deferred revenue	2,004,760	12,760
Commitments for funded research and development projects	376,756	408,544
Current portion of capital lease obligations	8,776	14,312
Total current liabilities	3,346,253	1,445,303
Long-term notes payable	1,440,650	1,209,713
Capital lease obligations, less current portion		2,978
Total liabilities	4,786,903	2,657,994
Stockholders equity:		
Convertible preferred stock, Series A \$0.001 par value 6,000,000 shares authorized; 5,000,000 issued and outstanding at June 30, 2005 and December 31, 2004; aggregate liquidation preference of \$18,000,000 at June 30, 2005	5,000	5,000
Common stock, \$0.001 par value 75,000,000 shares authorized; 23,664,041 and 23,594,337 shares issued and outstanding at June 30, 2005 and December 31, 2004, respectively	23,664	23,595
Additional paid-in capital	59,584,378	58,123,868
Accumulated deficit	(57,933,711)	(54,624,956)
Total stockholders equity	1,679,331	3,527,507
Total liabilities and stockholders equity	\$ 6,466,234	\$ 6,185,501

The accompanying notes are an integral part of these consolidated financial statements.

INTERLEUKIN GENETICS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
		(As Restated)		(As Restated)
Revenue	\$ 7,694	\$ 9,977	\$ 15,053	\$ 18,320
Cost of revenue		43		98
Gross profit	7,694	9,934	15,053	18,222
Operating expenses:				
Research and development	608,859	1,274,606	1,292,862	2,099,641
Selling, general and administrative	1,063,703	740,122	1,767,642	1,464,800
Total operating expenses	1,672,562	2,014,728	3,060,504	3,564,441
Loss from operations				