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

Form 8-K

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 6, 2010**

CYTORI THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**000-32501**	**33-0827593**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

3020 Callan Road, San Diego, California 92121
(Address of principal executive offices, with zip code)

(858) 458-0900
(Registrant's telephone number, including area code)

n/a
(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 (*see* General Instruction A.2. below):

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 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))

Item 2.02 Results of Operations and Financial Condition

On August 6, 2010, Cytori Therapeutics, Inc. (Company) issued a press release announcing its financial results for the second quarter ended June 30, 2010. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. In addition, on the same date, the Company has posted further insight into those results of operations in an open letter to its stockholders and other interested parties in the blog on the Investor Relations section of its website. A copy of the letter is attached hereto as exhibit 99.2.

The information disclosed under this Item 2.02 in this report, including Exhibits 99.1 and 99.2 hereto, are being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as expressly set forth in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Cytori Therapeutics, Inc. Press Release, dated August 6, 2010*
99.2	Cytori Therapeutics, Inc. Shareholder Letter, dated August 6, 2010*

* Exhibits 99.1 and 99.2 hereto are being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as expressly set forth in such 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 hereunto duly authorized.

CYTORI THERAPEUTICS, INC.

Date: August 6, 2010

By: /s/ Mark E. Saad
Mark E. Saad
Chief Financial Officer

August 6, 2010

Cytori Reports Second Quarter & First Half 2010 Results; Product Sales Up 64% and Gross Profit Up 141%

SAN DIEGO--Cytori Therapeutics (NASDAQ:CYTX) reports second quarter and first half 2010 financial results. Further details, including progress of the Company's commercial activities and product development pipeline, are provided in the 'August 2010 Shareholder Letter', which may be accessed at http://ir.cytoritx.com.

Year-to-date, the Company has executed on the following stated business goals and objectives:

· Grew system installed-base in Europe, Asia and U.S., bringing cumulative revenue-generating units worldwide to 122;

· Achieved highest level of quarterly consumable shipments to date at 392, including 304 consumable re-orders in Q2;

· Expanded European Celution® regulatory approval includes multiple medical indications and improves sales opportunities to hospitals;

· Received regulatory approval for and launched PureGraft™ into the U.S. and European plastic and reconstructive surgery markets; and

· Reported positive results in two cardiac cell therapy trials; plans underway to begin a European approval trial for heart attack patients.

Financial Results

Product revenues were $2.1 million for the quarter and $4.4 million for the first six months in 2010, compared to $1.3 million and $3.2 million for the same time periods, respectively, in 2009. Gross margin was 58% with a gross profit of $1.2 million for the second quarter of 2010 and 58% and $2.5 million for the first half of 2010. This compares with a gross margin of 39% and a gross profit of $0.5 million for the second quarter of 2009, and a gross margin of 42% and a gross profit of $1.3 million for the first six months of 2009. Product revenues and gross profit grew 64% and 141% respectively comparing second quarter 2010 with the second quarter of 2009, due largely to increased direct sales and reduced reliance on distributors.

Total operating expenses were $6.3 million and $11.8 million for the second quarter and first six months of 2010, respectively, compared to $8.2 million and $14.6 million for the same periods, respectively in 2009. Compared to the same periods a year ago, the decline in total operating expenses are primarily due to a net reduction in non-cash expenses for changes in fair value of the warrant and option liabilities. We experienced a decrease in research and development expenses, partially offset by a greater investment into sales and marketing efforts as well as increased corporate costs.

Net cash used in operating activities was $4.5 million for the three months ended June 30, 2010 as compared to $6.0 million for the same period in 2009. Cash and cash equivalents as of June 30, 2010 were $38.1 million and we ended the quarter with $2.6 million in net accounts receivable. We believe that these amounts can fund our operations into the first quarter of 2012, including anticipated costs for initiating our pivotal European heart attack trial.

Outlook

Cytori continues to expand the number of Celution® and StemSource® products in the field while simultaneously investing to grow system adoption and consumable usage. Expanding the approved Celution® indications-for-use in Europe, which include new medical applications such as breast reconstruction and the repair of wounds, such as those resulting from Crohn's disease, positively impacts our ability to sell systems to hospitals. This immediately expands our market opportunity as sales efforts to date have been focused primarily on cosmetic surgery clinics. We anticipate that 12 month results from our RESTORE 2 breast reconstruction trial will support our efforts to gain reimbursement for breast reconstruction in Europe. In addition, PureGraft™ approval in the U.S. and Europe now expands our product portfolio t o more comprehensively address the autologous fat grafting market. When combined, the importance of the expanded claims and PureGraft™ approvals support the Company's transformation from a primarily research and development organization to a multi-product, multi-market, sales-driven organization.

Conference Call & Shareholder Letter

Cytori will host a conference call and question and answer session at 10:30 AM Eastern Time today to further discuss these results. The audio webcast of the conference call may be accessed under "Webcasts" in the Investor Relations section of Cytori's website (www.cytori.com). The webcast will be available live and by replay two hours after the call and archived for 90 days.

Cautionary Statement Regarding Forward-Looking Statements

This press release includes forward-looking statements regarding events, trends and business prospects, which may affect our future operating results and financial position. Such statements, including, but not limited to, the expectation that expanded European regulatory approval for Celution® will improve our ability to sell systems to hospitals and expand our market opportunity, our ability to fund operations into 2012, the expectation that our breast reconstruction trial results will support our product reimbursement efforts , and our expectation that the US and European launch of PureGraft™ will support ongoing per-procedure revenues are all subject to risks and uncertainties that could cause our actual results and financial position to differ materially. Some of these risks and uncertainties include, but are not limited to, risks related to our history of operating losses, the need for further financing and our ability to access the necessary additional capital for our business, inherent risk and uncertainty in the protection of intellectual property rights, regulatory uncertainties regarding the collection and results of clinical data, uncertainties relating to the future success of our sales and marketing programs, dependence on third party performance, as well as other risks and uncertainties described under the "Risk Factors" in Cytori's Securities and Exchange Commission Filings on Form 10-K and Form 10-Q. We assume no responsibility to update or revise any forward-looking statements to reflect events, trends or circumstances after the date they are made.

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CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED)

	As of June 30, 2010	As of December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 38,100,000	$ 12,854,000
Accounts receivable, net of allowance for doubtful accounts of $566,000 and $751,000 in 2010 and 2009, respectively	2,573,000	1,631,000
Inventories, net	2,555,000	2,589,000
Other current assets	581,000	1,024,000
Total current assets	43,809,000	18,098,000
Property and equipment, net	1,220,000	1,314,000
Investment in joint venture	555,000	280,000
Other assets	456,000	500,000
Intangibles, net	524,000	635,000
Goodwill	3,922,000	3,922,000
Total assets	$ 50,486,000	$ 24,749,000
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses	$ 5,251,000	$ 5,478,000
Current portion of long-term obligations	1,978,000	2,705,000
Total current liabilities	7,229,000	8,183,000
Deferred revenues, related party	5,512,000	7,634,000
Deferred revenues	2,435,000	2,388,000
Warrant liability	2,644,000	6,272,000
Option liability	1,340,000	1,140,000
Long-term obligations, less current portion	17,226,000	2,790,000
Total liabilities	36,386,000	28,407,000
Commitments and contingencies		
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; -0- shares issued and outstanding in 2010 and 2009	—	—
Common stock, $0.001 par value; 95,000,000 shares authorized; 45,900,581 and 40,039,259 shares issued and 45,900,581 and 40,039,259 shares outstanding in 2010 and 2009, respectively	46,000	40,000
Additional paid-in capital	204,385,000	178,806,000
Accumulated deficit	(190,331,000)	(182,504,000)
Total stockholders' equity (deficit)	14,100,000	(3,658,000)
Total liabilities and stockholders' equity (deficit)	$ 50,486,000	$ 24,749,000

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Product revenues:				
Related party	$ —	$ 9,000	$ 9,000	$ 573,000
Third party	2,091,000	1,268,000	4,347,000	2,616,000
	2,091,000	1,277,000	4,356,000	3,189,000
Cost of product revenues	883,000	776,000	1,813,000	1,863,000
Gross profit	1,208,000	501,000	2,543,000	1,326,000
Development revenues:				
Development, related party	—	7,250,000	2,122,000	7,250,000
Research grant and other	7,000	14,000	28,000	22,000
	7,000	7,264,000	2,150,000	7,272,000
Operating expenses:				
Research and development	2,301,000	2,919,000	4,546,000	6,388,000
Sales and marketing	2,425,000	1,463,000	4,424,000	2,748,000
General and administrative	3,052,000	2,309,000	6,271,000	4,803,000
Change in fair value of warrant liability	(1,461,000)	2,133,000	(3,628,000)	1,112,000
Change in fair value of option liability	(60,000)	(630,000)	200,000	(420,000)
Total operating expenses	6,257,000	8,194,000	11,813,000	14,631,000
Operating loss	(5,042,000)	(429,000)	(7,120,000)	(6,033,000)
Other income (expense):				
Interest income	2,000	4,000	3,000	18,000
Interest expense	(254,000)	(374,000)	(530,000)	(774,000)
Other expense, net	(49,000)	(16,000)	(125,000)	(108,000)
Equity loss from investment in joint venture	(34,000)	(11,000)	(55,000)	(27,000)
Total other expense	(335,000)	(397,000)	(707,000)	(891,000)
Net loss	$ (5,377,000)	$ (826,000)	$ (7,827,000)	$ (6,924,000)
Basic and diluted net loss per common share	$ (0.12)	$ (0.02)	$ (0.18)	$ (0.21)
Basic and diluted weighted average common shares	45,295,965	35,077,783	43,772,219	33,732,954

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Six Months Ended June 30,	
	2010	**2009**
Cash flows from operating activities:		
Net loss	$ (7,827,000)	$ (6,924,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	553,000	876,000
Amortization of deferred financing costs and debt discount	199,000	386,000
Warranty provision	—	(23,000)
Provision for doubtful accounts	567,000	300,000
Change in fair value of warrants	(3,628,000)	1,112,000
Change in fair value of option liabilities	200,000	(420,000)
Share-based compensation expense	1,468,000	1,276,000
Equity loss from investment in joint venture	55,000	27,000
Increases (decreases) in cash caused by changes in operating assets and liabilities:		
Accounts receivable	(1,509,000)	(496,000)
Inventories	34,000	282,000
Other current assets	289,000	78,000
Other assets	—	51,000
Accounts payable and accrued expenses	(227,000)	(1,153,000)
Deferred revenues, related party	(2,122,000)	(7,250,000)
Deferred revenues	47,000	(7,000)
Long-term deferred rent	—	(168,000)
Net cash used in operating activities	(11,901,000)	(12,053,000)
Cash flows from investing activities:		
Purchases of property and equipment	(348,000)	(18,000)
Investment in joint venture	(330,000)	—
Net cash used in investing activities	(678,000)	(18,000)
Cash flows from financing activities:		
Principal payments on long-term obligations	(5,454,000)	(803,000)
Proceeds from long term obligations	20,000,000	—
Debt issuance costs and loan fees	(559,000)	—
Proceeds from exercise of employee stock options and warrants	7,042,000	21,000
Proceeds from sale of common stock and warrants	17,314,000	11,189,000
Costs from sale of common stock and warrants	(518,000)	(960,000)
Proceeds from sale of treasury stock	—	3,933,000
Net cash provided by financing activities	37,825,000	13,380,000
Net increase in cash and cash equivalents	25,246,000	1,309,000
Cash and cash equivalents at beginning of period	12,854,000	12,611,000
Cash and cash equivalents at end of period	$ 38,100,000	$ 13,920,000

Shareholder Letter: Second Quarter and First Half 2010 Results

Dear Investors,

Cytori's progress year-to-date has been defined by the following accomplishments:

- Grew installed-base in Europe, Asia and U.S., bringing cumulative revenue-generating units worldwide to 122;
- Achieved highest level of quarterly consumable shipments to date at 392, including 304 consumable re-orders;
- Expanded European Celution® regulatory approval, which includes multiple medical indications and improves sales opportunities to hospitals;
- Received regulatory approval for and launched PureGraft™ into the U.S. and European plastic and reconstructive surgery markets;
- Reported positive results in two cardiac cell therapy trials; planning European approval heart attack trial; and
- Strengthened business by capitalizing the organization into the first quarter of 2012

Outlook

Cytori continues to expand the base of systems in the field with an initial focus on cosmetic and reconstructive surgery, cell and tissue banking, and research. Today we offer a suite of products for these markets across Europe, Asia and the U.S. which generate near-term revenues for the business. At the same time, we are investing in the expansion of our platform into larger medical markets to increase system sales and consumable usage.

Near-term revenue growth will be driven by our recent expansion of Celution® indications in Europe, which allow us to increase both system and consumable sales efforts to European hospitals. This will expand our current customer-base, which presently consists mostly of plastic and cosmetic surgeons. Additionally, we are closer to reporting complete 12-month results of our Restore II clinical trial for breast reconstruction which we believe to be an important step towards achieving European reimbursement.

To extend our platform into additional medical markets, we are preparing to initiate our approval European heart attack trial. In the U.S., we are actively working toward the design and details of an IDE study for soft tissue defect repair. We had a productive pre-IDE meeting with the FDA during the second quarter and are now moving forward to submit an IDE application in the fourth quarter of 2010.

Product Sales

In the second quarter, we achieved another record number of consumable re-orders, which were 304, compared to 261 reorders in the previous quarter (Q1 2010) and 172 re-orders a year ago (Q2 2009). This contributed to a record number of total consumables shipped, which were 392, compared to 342 last quarter and 313 a year ago.

	Q2 2010	Q1 2010	Q2 2009
Revenue Systems (cumulative)	122	110	70
Consumables Shipped	392	342	313
Consumable Re-Orders	304	261	172
% Reorders of Total Orders	78%	76%	55%

This commercial performance shows that, per our stated objective, existing customers are contributing to a proportionally greater percentage of consumable sales, balanced with a healthy number of orders for new systems.

The PureGraft™ System also contributed to sales in the second quarter following its April launch in the U.S. This product line helps establish strategic relationships with cosmetic and plastic surgeons ahead of Celution® approval and is already contributing to our top-line revenue. Since its launch, the product has been well received and is being utilized in several different types of procedures involving fat transfer, including cosmetic dermal fill, tissue banking, cosmetic augmentation and reconstruction.

Sales Growth

Cytori divides its commercial business into two markets, the global aesthetic and reconstructive surgery market and the hospital and operating room market. Until now, our sales efforts have focused mostly on the aesthetic and reconstructive surgery market. Expanded indications for the Celution® System in Europe and the U.S. and European approvals for PureGraft™ change this and broaden our commercial opportunity.

The expanded indications-for-use on the Celution® System opens up the European hospital market, where there are more than 5,000 hospitals in Western Europe alone. PureGraft™ approval in the U.S. and Europe allows us to fulfill market demand for a cost-effective method of graft preparation for the aesthetic market, in particular as a product that can compete strongly against dermal fillers. We also believe PureGraft™ is a natural lead-in product that can be leveraged to increase the number of aesthetic or reconstructive procedures that existing Celution® customers may perform as well as open up new Celution® accounts.

The other growth area is the StemSource® Cell Bank. Sales are gaining momentum with two installations this year already from private clinics, one in Japan and one in the U.S. We anticipate at least one more Cell Bank order this year. The demand is emerging from plastic and reconstructive surgery centers where physicians are already performing fat grafting procedures or elective liposuction. As a result, our physician customers can offer tissue or cell storage to patients coming to them for elective liposuction.

Following our report of the final 12-month RESTORE 2 data, we expect reimbursement for Celution®-based breast reconstruction procedures to begin contributing to system and consumable sales in Europe. Reimbursement in Europe is fragmented and typically is achieved on a region by region basis. Efforts are underway with reimbursement authorities. Certain hospitals in Europe are already providing coverage or subsidies for breast reconstruction procedures.

Cardiovascular Disease

Our most advanced Celution® System pipeline application is cardiovascular disease. During the second quarter, we reported positive outcomes from two European clinical trials, one in acute heart attacks and another in chronic heart disease. Based on the outcome from the APOLLO heart attack trial, we are initiating a randomized, double-blind, placebo-controlled European heart attack approval trial, which will be named ADVANCE.

To review the results, both trials demonstrated that the Celution®-based procedure was safe and feasible and the data is consistent with what we observed across several preclinical models. The heart attack trial showed a substantial 47% reduction in the size of injury to the heart, known as infarct size, as compared to the control group, and a 3.5 fold greater improvement in perfusion within the left ventricle in the cell treated group as compared to the control group. Infarct size, based on emerging data by the medical community and literature, is recognized as the most important predictor of re-hospitalization for heart failure, subsequent infarct, and death.

Data from the 27 patient chronic heart disease trial showed a reduction in the extent of infarct size in the left ventricle and a statistically significant improvement in maximum oxygen consumption (MVO2) and patients' aerobic capacity measured as metabolic equivalents (METS). MVO2 in particular is one of the most widely accepted predictors of clinical outcomes, including mortality and heart transplantation.

Product Performance and Margins

We continue to seek ways to improve our product performance and cost of goods for our portfolio of innovative products which define best practices in autologous fat grafting and natural augmentation.

Our engineering team continues to upgrade the Celution® 800 System. We have increased volume capacity by 40% during the last year and substantially reduced processing times. We are preparing to launch the Celution® One System in the first half of 2011. Celution® One was designed and will be manufactured in collaboration with Olympus Corporation through our joint venture Olympus-Cytori, Inc.

The first Celution® One device will be installed in participating centers for our ADVANCE trial. We will submit our CE Mark application for approval of the Celution® One in the third quarter of 2010 and, based on the recent expanded indications for Celution® 800, we anticipate European approval in the first half of 2011.

12-Month Milestones

We look forward to the next 12 months given the momentum we have built in the first six months of 2010. The milestones to look for are as follows:

- Continue to grow our installed base and consumable sales, expanding into the hospital market;
- Report complete 12-month RESTORE 2 results;
- Launch of Celution® One;
- Initiation of European heart attack trial;
- Initiation of a U.S. soft tissue clinical trial;
- Report 18-month results of APOLLO and PRECISE; and
- Formation of strategic partnership;

Regards,

Christopher J. Calhoun
Chief Executive Officer

Cautionary Statement Regarding Forward-Looking Statements

This shareholder letter includes forward-looking statements regarding events, trends and business prospects, which may affect our future operating results and financial position. Such statements, including, but not limited to, those regarding our forecasts for operating expenses and cash utilization rate into 2012, the expected increase of sales opportunities due to our expansion of Celution® System indications in Europe, our ability to successfully commercialize the PureGraft™ product, the competitive capabilities of our PureGraft™ product against dermal fillers, our ability to leverage PureGraft™ products to increase the number of aesthetic or reconstructive procedures performed and for develop new Celution® accounts, system and consumable order trends, as well as our ability to obtain third par ty and governmental reimbursement for our consumables and therefore increase adoption in the reconstructive surgery market, are all subject to risks and uncertainties that could cause our actual results and financial position to differ materially. Some of these risks and uncertainties include, but are not limited to, risks related to our history of operating losses, the need for further financing and our ability to access the necessary additional capital for our business, inherent risk and uncertainty in the protection intellectual property rights, regulatory uncertainties regarding the collection and results of clinical data, uncertainties relating to the success of our sales and marketing programs, dependence on third party performance, as well as other risks and uncertainties described under the "Risk Factors" in Cytori's Securities and Exchange Commission Filings on Form10-K and 10-Q. We assume no responsibility to update or revise any forward-looking statements to reflect events, trends or circumst ances after the date they are made.