ChemoCentryx, Inc.
Form 424B5
April 17, 2013
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-187387

Prospectus Supplement (To Prospectus dated April 3, 2013)

5,000,000 Shares

Common Stock

We are offering 5,000,000 shares of our common stock as described in this prospectus supplement and the accompanying prospectus.

Our common stock is listed on the Nasdaq Global Select Market under the symbol CCXI. On April 16, 2013, the last reported sale price of our common stock on the Nasdaq Global Select Market was $12.26 per share.

	Per share	Total
Public offering price	$ 12.00	$ 60,000,000
Underwriting discounts and commission	$ 0.72	$ 3,600,000
Proceeds to ChemoCentryx, before expenses	$ 11.28	$ 56,400,000

We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase up to an additional 750,000 shares of our common stock to cover over-allotments, if any.

Investing in our common stock involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock on or about April 22, 2013.

J.P. Morgan **Goldman, Sachs & Co.**

Cowen and Company **Stifel**

April 16, 2013

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Prospectus Supplement

Prospectus

We and the underwriters have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or any relevant free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, and any free writing prospectus that we have authorized for use in connection with this offering, in their entirety before making your investment decision. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus dated April 3, 2013 are part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. This prospectus supplement and the accompanying prospectus relate to the offer by us of shares of our common stock to certain investors. We provide information to you about this offering of shares of our common stock in two separate documents that are bound together: (1) this prospectus supplement, which describes the specific details regarding this offering; and (2) the accompanying prospectus, which provides general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both documents combined. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement as our business, financial condition, results of operations and prospects may have changed since the earlier dates. You should read this prospectus supplement, the accompanying prospectus, the documents and information incorporated by reference in this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering when making your investment decision. You should also read and consider the information in the documents we have referred you to under the heading Where You Can Find More Information; Incorporation by Reference.

We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about, and observe any restrictions relating to, the offering of the common stock and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

When we refer to ChemoCentryx, we, our, us and the Company in this prospectus supplement, we mean ChemoCentryx, Inc. an consolidated subsidiary, unless otherwise specified.

ChemoCentryx®, the ChemoCentryx logo, Traficet and Traficet-EN are our trademarks in the United States, the European Community, Australia and Japan. EnabaLink® and RAM® are our trademarks in the United States.

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WHERE YOU CAN FIND MORE INFORMATION; INCORPORATION BY REFERENCE

Available Information

We file reports, proxy statements and other information with the SEC. Information filed with the SEC by us can be inspected and copied at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of this information by mail from the Public Reference Section of the SEC at prescribed rates. Further information on the operation of the SEC s Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy and information statements and other information about issuers, such as us, who file electronically with the SEC. The address of that website is *http://www.sec.gov*.

Our website address is www.chemocentryx.com. The information on our website, however, is not, and should not be deemed to be, a part of this prospectus supplement and the accompanying prospectus.

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as provided below. Forms of the documents establishing the terms of the offered securities are or may be filed as exhibits to the registration statement. Statements in this prospectus supplement and the accompanying prospectus about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. You may inspect a copy of the registration statement at the SEC s Public Reference Room in Washington, D.C. or through the SEC s website, as provided above.

Incorporation by Reference

The SEC s rules allow us to incorporate by reference information into this prospectus supplement and the accompanying prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement and the accompanying prospectus, and subsequent information that we file with the SEC will automatically update and supersede that information. Any statement contained in a previously filed document incorporated by reference will be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement and the accompanying prospectus modifies or replaces that statement.

We incorporate by reference our documents listed below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act in this prospectus supplement, between the date of this prospectus supplement and the termination of this offering. We are not, however, incorporating by reference any documents or portions thereof, whether specifically listed below or filed in the future, that are not deemed filed with the SEC or any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K or related exhibits furnished pursuant to Item 9.01 of Form 8-K.

This prospectus supplement incorporates by reference the documents set forth below that have previously been filed with the SEC:

Our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on March 14, 2013.

Our Current Report on Form 8-K filed with the SEC on February 22, 2013.

The information specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December, 31, 2012 from our definitive Proxy Statement on Schedule 14A filed with the SEC on March 29, 2013.

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The description of our Common Stock contained in our registration statement on Form 8-A, filed with the SEC on February 3, 2012 and any amendment or report filed with the SEC for the purpose of updating the description.

You may request a free copy of any of the documents incorporated by reference in this prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents) by writing or telephoning us at the following address:

ChemoCentryx, Inc.

850 Maude Avenue

Mountain View, CA 9404

Attn: Corporate Secretary

(650) 210-2900

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PROSPECTUS SUPPLEMENT SUMMARY

The items in the following summary are described in more detail later in this prospectus supplement and in the accompanying prospectus. This summary provides an overview of selected information and does not contain all the information you should consider before investing in our common stock. Therefore, you should read the entire prospectus supplement, the accompanying prospectus and any free writing prospectus that we have authorized for use in connection with this offering carefully, including the Risk Factors section and other documents or information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before making any investment decision.

Overview

ChemoCentryx is a biopharmaceutical company focused on discovering, developing and commercializing orally-administered therapeutics to treat autoimmune diseases, inflammatory disorders and cancer. Our approach has been to target the chemokine system, a network of molecules including chemokine ligands and their associated receptors, as well as related chemo-attractant receptors, all of which are known to drive inflammation. Chemokine ligands concentrate at the site of an inflammatory event, serving as signals that attract and guide inflammatory cells to the tissue, where, based on the chemokine ligand and receptor combination, a specific inflammatory response is initiated. In certain diseases, discrete chemokine receptors that play a specific role in the pathology of interest have been identified, and the therapeutic goal is to specifically inhibit that receptor to provide clinical benefit. Accordingly, each of our drug candidates is a small molecule designed to target a specific chemokine or chemo-attractant receptor, thereby blocking the inflammatory response driven by that particular chemokine while leaving the rest of the immune system unaffected. Using our pioneering insights and proprietary technologies designed to better understand the chemokine system, we believe that we have established the broadest pipeline of novel drugs targeting chemokine receptors. Our compounds are designed to be highly potent, selective to minimize the risk of off-target effects and generally orally-available for improved patient compliance. As small molecules, they are also easier and less costly to manufacture than protein therapeutics, or biologics.

We currently have six drug candidates in clinical development. All of our drug candidates have been internally discovered and include:

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Vercirnon, our most advanced drug candidate, is intended to control the inflammatory response underlying inflammatory bowel disease, or IBD, by targeting the chemokine receptor known as CCR9. In adults, CCR9 is found primarily on a population of T cells, a subset of the body s inflammatory cells, which migrate selectively to the digestive tract. It is believed that when CCR9 s ligand, CCL25 (also known as TECK), is over-expressed, the migration of T cells to the small and large intestine causes persistent inflammation that may result in Crohn s disease or ulcerative colitis, the two forms of IBD. We have completed nine clinical trials with vercirnon in a total of 785 subjects, including five Phase I clinical trials, one Thorough QT study (an assessment of cardiovascular safety which is required for regulatory approval), and three Phase II clinical trials, including the PROTECT-1 Phase IIb trial. We completed our PROTECT-1 Phase II clinical trial in 436 patients with moderate-to-severe Crohn s disease in 2009. Results from this clinical trial indicated that vercirnon was effective in inducing a clinical response over a 12-week treatment period. The results also indicated that vercirnon was effective in maintaining clinical remission over an additional 36-week treatment period. Vercirnon was safe and well tolerated in all clinical trials completed to date. In December 2009, GSK exercised its option to obtain an exclusive license to further develop and commercialize vercirnon. Following the exercise of its option, GSK became solely responsible for all further clinical development and commercialization of vercirnon and its two designated back-up compounds worldwide. If approved, vercirnon would be the first orally administered agent with a novel mechanism of action introduced for the treatment of Crohn s disease since the introduction of corticosteroids and oral immunosuppressants. According to the Crohn s and Colitis Foundation of America, or CCFA, in 2012, Crohn s disease was estimated to affect as many as 700,000 Americans.

GSK has initiated four pivotal Phase III clinical trials intended to obtain the clinical results necessary to apply for marketing approval for vercirnon in Crohn s disease. In general, the development approach of the Phase III program is modeled after the design of our PROTECT-1 clinical trial. The following pivotal Phase III clinical trials are currently ongoing:

SHIELD-1 is a multi-national, randomized, double-blind, placebo-controlled clinical trial to evaluate the efficacy and safety of two doses, 500mg once-daily and 500mg twice-daily, of vercirnon over 12 weeks of treatment in approximately 600 adult patients with moderate-to-severe Crohn s disease. Patient recruitment was initiated in December 2010. Data from the induction phase of the SHIELD-1 trial are expected in the second half of 2013.

SHIELD-2 is a multi-national, randomized, double-blind, placebo-controlled clinical trial to evaluate the efficacy and safety of two doses, 500mg once-daily and 500mg twice-daily, of vercirnon in maintaining disease remission over 52 weeks in approximately 750 adult patients with Crohn s disease. Eligible patients will have achieved disease improvement and/or remission in SHIELD-1 or will be fed from SHIELD-4 as noted below. Patient recruitment was initiated in April 2011.

SHIELD-3 is a multi-national, open-label clinical trial to evaluate the safety and effectiveness of 500mg twice-daily of vercirnon over 108 weeks in approximately 800 adult patients with Crohn s disease. Patients completing previous clinical trials with the drug or patients who withdraw early from the SHIELD-2 maintenance clinical trial may be eligible to participate. Patient recruitment was initiated in April 2011.

SHIELD-4 is a multi-national, randomized, double-blind clinical trial with the primary objective to induce clinical response and/or remission with vercirnon in subjects with active Crohn s disease to qualify subjects for enrollment into SHIELD-2, the 52-week maintenance clinical trial. Patients receive either 500mg once-daily or 500mg twice-daily for 12 weeks in this clinical trial. Patient recruitment was initiated in November 2011.

CCX140, our lead independent drug candidate, targets the chemokine receptor known as CCR2. CCX140 is a potent and selective antagonist of CCR2 that is found on subsets of monocytes and macrophages, which are cells of the immune system believed to play an important role in inflammatory processes. Blocking CCR2 is intended to reduce the abnormal monocyte and macrophage driven inflammatory response implicated in renal

disease. In addition, it has been shown that levels of CCL2 (also known as MCP-1), the main ligand for CCR2, are elevated in the kidneys of patients with diabetic nephropathy, which is characterized by a persistent and usually progressive decline in renal function. New science has shown that renal cells themselves may express CCR2 under pathological conditions and that this may be responsible for some of the effects of diabetic nephropathy. Current treatments of patients with diabetic nephropathy primarily focus on treatment of the underlying type 2 diabetes and hypertension. Given that the current standard of care does not halt or reverse the progression of diabetic patients with impaired kidney function to end-stage renal disease, or ESRD, in which dialysis and kidney transplant are the only treatment options, we believe that an unmet medical need persists for the treatment of diabetic nephropathy. One in five patients with diabetic nephropathy is expected to progress to ESRD and, based on information from the National Institute of Diabetes and Digestive and Kidney Diseases, there are over 500,000 patients with ESRD in the United States alone.

As a precursor to our clinical trials in patients with diabetic nephropathy, in January 2011, we completed a 159-patient randomized Phase II clinical trial to assess the safety and tolerability of CCX140 in patients with type 2 diabetes, the most common cause of diabetic nephropathy. CCX140 was safe and well tolerated in this trial. In addition, CCX140 demonstrated biological activity through a dose-dependent decrease in fasting plasma glucose. The highest dose of 10mg CCX140 administered once-daily also lowered hemoglobin A1c, or HbA1c, with statistical significance compared to placebo over a four-week period.

CCX140 is currently in two Phase II clinical trials in patients with diabetic nephropathy. The first randomized, double-blind, placebo-controlled Phase II clinical trial will enroll up to 270 patients. The primary safety objective of this clinical trial is to evaluate the safety and tolerability of CCX140 in patients with diabetic nephropathy. The primary efficacy objective is evaluation of the effect of CCX140 on albuminuria. Secondary efficacy objectives are evaluation of the effect of CCX140 on HbA1c and estimated glomerular filtration rate, or eGFR. The three treatment groups consist of placebo, 5mg and 10mg of CCX140 and the treatment duration will be up to 52 weeks, with a four-week follow-up period. Patients with residual albuminuria, despite being on a stable therapeutic dose of an angiotensin converting enzyme, or ACE, inhibitor or angiotensin receptor blocker, or ARB, are included in this clinical trial. The key efficacy endpoint is change from baseline in first morning urinary albumin:creatinine ratio, a major indicator of renal function. The sample size of the trial was increased from 135 to 270 patients in 2012 and the dosing duration was extended from 12 weeks to 52 weeks, following completion of long-term toxicology studies that allowed extension of dosing beyond 12 weeks. We expect to have 12-week data from this study in the third quarter of 2013 and 52-week data in 2014. We are conducting a second randomized, double-blind, placebo controlled Phase II clinical trial in 20 patients with diabetic nephropathy. The primary objective of this clinical trial is to evaluate the effect of CCX140 on 24-hour urinary albumin excretion which was collected in a controlled clinical setting. The two treatment groups consist of placebo and 10mg of CCX140. The treatment duration is 12 weeks, with a four-week follow-up period. Patients with residual albuminuria, despite being on a stable therapeutic dose of an ACE inhibitor or ARB are included in this clinical trial. We expect to have data from this clinical trial in the third quarter of 2013.

CCX168 targets the chemo-attractant C5a receptor, or C5aR, which binds to a biologically activated fragment of the complement protein known as C5. Chemo-attractant receptors are related to the chemokine receptor family and similarly regulate the migration of certain types of inflammatory cells. C5aR is thought to play a role in a range of inflammatory and autoimmune diseases such as ANCA-associated vasculitis, or AAV, lupus and RA. We completed a Phase I clinical trial for CCX168, which showed that CCX168 was well tolerated at doses up to 100mg. We initiated a Phase II clinical trial in AAV in the fourth quarter of 2011 and expect to have results from this clinical trial in the second half of 2013. If this trial meets the success criteria mutually agreed upon by the members of the joint steering committee, or JSC, GSK may exercise its option to further develop and commercialize CCX168. An option decision is anticipated by the end of 2013.

CCX354 targets the chemokine receptor known as CCR1. Synovial fluid from the joints of rheumatoid arthritis, or RA, patients contains high levels of activated CCR1 chemokine ligands. Blocking CCR1 is intended to reduce inflammation and prevent subsequent joint destruction by suppressing the infiltration of inflammatory

cells into the arthritic joint. Results from a 160 patient Phase II proof-of-concept clinical trial in patients with moderate-to-severe RA demonstrated that CCX354 was safe and well tolerated by patients with RA and demonstrated clinical and biological activity at a dose of 200mg of CCX354 once-daily. This successful clinical trial triggered GSK s option rights under our collaboration agreement. GSK exercised its option to further develop and commercialize CCX354 in November 2011 and has an exclusive right to initiate a Phase IIb clinical trial for CCX354 in RA.

CCX872 is our independent next generation CCR2 antagonist for the treatment of expanded indications of renal disease. We initiated a Phase I clinical trial in the fourth quarter of 2012, and anticipate completion of this Phase I trial in the first half of 2013. In addition to diabetic nephropathy and other renal diseases, CCR2-mediated effects are thought to drive the pathology of various metabolic diseases, such as atherosclerosis and cardiovascular disease.

CCX507 builds on our expertise in the area of CCR9 antagonists and IBD. Following the expiration of our target exclusivity obligations with respect to CCR9 under our collaboration agreement with GSK, we started a *de novo* discovery program under which we have designed a series of novel molecules that we believe represent the next generation of CCR9 inhibitors. CCX507 is our lead compound from this program and is selective for CCR9 relative to all other chemokine receptors, orally bioavailable, and has an excellent preclinical safety profile. We initiated a Phase I clinical trial in the fourth quarter of 2012 and expect data from this trial in the second half of 2013.

We are also advancing several additional independent drug candidates through preclinical development, the most advanced of which target chemokine receptors involved in atopic dermatitis, RA, liver inflammation, psoriasis, and cancer.

Strategic Alliance with GSK

In August 2006, we entered into our strategic alliance with GSK. Under the terms of our agreement with GSK, we are responsible for the discovery and development of small molecule antagonists targeting four defined chemokine and chemo-attractant receptor targets (CCR9, CCR1, C5aR and ChemR23) and for advancing them through clinical proof-of-concept or to such other success criteria as are established by the JSC. After we demonstrate the satisfaction of the applicable success criteria, GSK is entitled to options to exclusively license drug candidates that are subject to the collaboration and two defined back-up compounds for each drug candidate for further development and commercialization on a worldwide basis. Upon exercising any of its options to drug candidates under the collaboration, GSK is solely responsible for all further clinical development and commercialization expenditures worldwide with respect to that drug candidate and its two designated back-up compounds. In exchange for the rights granted to GSK upon the exercise of its options, we are also entitled to receive regulatory and commercial milestone payments, as earned under the terms of our agreement, and royalties on the net sales of licensed drugs.

In December 2009, GSK exercised its option to obtain an exclusive license to further develop and commercialize vercirnon (CCR9) following our completion of the PROTECT-1 clinical trial, as a result of which we received an option exercise fee of $35.0 million in January 2010. After exercising the option, GSK became solely responsible for all further clinical development and commercialization expenditures for vercirnon and its two designated back-up compounds (CCX025 and CCX807) worldwide. In November 2011, GSK exercised its option to obtain an exclusive license to further develop and commercialize CCX354 (CCR1) following our completion of the proof-of-concept clinical trial for this drug candidate. After exercising this option, GSK became solely responsible for all further clinical development and commercialization expenditures for CCX354 and its two designated back-up compounds (CCX721 and CCX956) worldwide. We received an option exercise fee of $25.0 million in December 2011. With respect to CCX168, the remaining drug candidate subject to the agreement, GSK has an option exercisable with respect to such drug candidate and its two designated back-up compounds upon our demonstration that CCX168 successfully met the success criteria established by the JSC

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and, if GSK elects to exercise its option, we will be entitled to an option exercise fee of $25.0 million upon the exercise of such option by GSK. We anticipate GSK s decision regarding the option by the end of 2013.

GSK does not have exclusive rights to a given clinical indication or substitution rights with respect to a given collaboration target. Specifically, our proprietary programs around CCR2, CCR4, CCR6, CXCR7, CXCR6, or *de novo* efforts in CCR9 or CCR1 inhibitors, or any other receptors are not part of the GSK collaboration.

For each of our drug candidates subject to the agreement, we would be entitled to receive regulatory filing milestones of up to $47.0 million in the aggregate for the filing of a new drug application, or NDA, in the United States and comparable filings in other territories, up to $75.0 million in the aggregate for the regulatory approval of products for commercial sale in the United States and other territories and up to $250.0 million in sales milestones for vercirnon and $125.0 million for each of CCX354 and CCX168. In addition, we are entitled to receive base royalties on net sales of the licensed drugs. The base royalties for each program differ, but are set at levels commensurate with the development stage of each program at the time we entered into the agreement. With respect to vercirnon and its two designated back-up compounds, GSK is obligated to pay us tiered base percentage royalties on net sales in IBD indications in the United States ranging from the mid-teens to the low twenties and tiered percentage royalties on net sales in IBD indications outside the United States ranging from the low to high teens. With respect to CCX354 and CCX168, or any of their designated back-up compounds, GSK is obligated to pay us double-digit tiered percentage royalties with the potential to reach the mid-teens on annual worldwide net sales. We are also entitled to receive sales milestones on a per drug basis.

Corporate Information

We commenced operations in 1997. Our principal executive offices are located at 850 Maude Avenue, Mountain View, CA 94043, and our telephone number is (650) 210-2900. Our website address is www.chemocentryx.com. The information contained in, or that can be accessed through, our website is not part of this prospectus supplement or the accompanying prospectus. We have a wholly owned subsidiary, ChemoCentryx Limited, organized under the laws of the United Kingdom that is currently inactive.

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THE OFFERING

Common stock offered by us in this offering	5,000,000 shares.
Common stock to be outstanding after this offering	41,844,905 shares (excluding the over-allotment option).
Over-allotment option	We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase up to an additional 750,000 shares of our common stock at the public offering price, less the underwriting discounts and commissions to cover over-allotments, if any.
Use of proceeds	We intend to use the net proceeds from this offering to fund development of our drug candidates, for working capital and other general corporate purposes.
Risk factors	You should read the Risk Factors section of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement for a discussion of factors to consider before deciding to purchase shares of our common stock.
Nasdaq Global Select Market symbol	CCXI

The number of shares of common stock to be outstanding after this offering is based on 36,354,547 shares outstanding as of December 31, 2012, and excludes:

- 5,292,738 shares of common stock issuable upon the exercise of options outstanding as of December 31, 2012, at a weighted-average exercise price of $7.38 per share;
- 1,567,902 shares of our common stock reserved for future issuance under our equity incentive plans as of December 31, 2012; and
- 301,672 shares of common stock issuable upon the exercise of warrants outstanding as of December 31, 2012, at a weighted-average exercise price of $12.56 per share.

Except as otherwise indicated, all information in this prospectus supplement assumes no exercise by the underwriters of their option to purchase up to an additional 750,000 shares of our common stock to cover over-allotments.

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SUMMARY FINANCIAL DATA

The following summary consolidated financial data as of, and for the years ended, December 31, 2010, 2011 and 2012 are derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement. You should read this data together with our audited consolidated financial statements and the related notes and the information under the captions Selected Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K incorporated by reference herein. Our historical results are not necessarily indicative of our future results.

	Years Ended December 31,		
	2010	2011	2012
	(in thousands, except share and per share data)		
Consolidated Statement of Operations Data:			
Revenues:			
Collaborative research and development revenue from related party	$ 34,861	$ 31,673	$ 5,419
Total Revenues:	34,861	31,673	5,419
Operating expenses:			
Research and development	33,527	28,359	34,569
General and administrative	7,292	7,615	10,480
Total operating expenses	40,819	35,974	45,049
Loss from operations	(5,958)	(4,301)	(39,630)
Interest income	436	402	533
Interest expense	(81)	(734)	(794)
Other income	2,434	16	
Loss before provision for income taxes	(3,169)	(4,617)	(39,891)
Income tax benefit	73		
Net loss	$ (3,096)	$ (4,617)	$ (39,891)
Basic and diluted net loss per share[(1)]	$ (0.76)	$ (1.10)	$ (1.13)
Diluted net loss per share[(1)]	$ (0.76)	$ (1.10)	$ (1.13)
Shares used to compute basic and diluted net loss per share	4,081,648	4,210,704	35,406,922

(1) See Note 2 of the notes to our consolidated financial statements in our Annual Report on Form 10-K which is incorporated by reference into this prospectus supplement for a description of the method used to compute basic and diluted net loss per share.

	As of December 31, 2012 (in thousands)
Consolidated Balance Sheet Data:	
Cash, cash equivalents and investments	$ 118,956
Working capital	93,180
Total assets	122,323
Non-current equipment financing obligations	379

Accumulated deficit	(134,189)
Total stockholders equity	110,346

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RISK FACTORS

You should consider carefully the risks described below, together with other information in this prospectus supplement, the accompanying prospectus and the information and documents incorporated by reference in this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering, before you make a decision to invest in our common stock. If any of the following events actually occur, our business, financial condition, results of operations and prospects could be materially and adversely affected. This could cause the trading price of our common stock to decline and you may lose all or part of your investment. The risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also affect our business operations.

Risks Related to Our Business

We anticipate that we will continue to incur significant losses for the foreseeable future, and if we are unable to achieve and sustain profitability, the market value of our common stock will likely decline.

We are a clinical-stage biopharmaceutical company. We do not currently have any products approved for sale, and we continue to incur significant research and development and general and administrative expenses related to our operations. Our net loss for the years ended December 31, 2012, 2011 and 2010 was $39.9 million, $4.6 million and $3.1 million, respectively. As of December 31, 2012, we had an accumulated deficit of $134.2 million. We expect to continue to incur significant losses for the foreseeable future. We expect these losses and our cash utilization to increase in the near term as we continue to conduct clinical trials for CCX140, CCX168, CCX872 and CCX507 and conduct research and development of our other drug candidates. Glaxo Group Limited, or GSK, an affiliate of GlaxoSmithKline, has assumed all funding obligations for the further clinical development and commercialization of vercirnon and CCX354. If GSK exercises its option for further development and commercialization of CCX168, our remaining drug candidate subject to the agreement, it will assume all funding obligations with respect to further clinical development of such drug candidate, but if it does not exercise such option, we will be responsible for such funding obligations. All of our products are in development and none has been approved for sale. To date, we have derived all of our revenues from up-front fees and milestone payments, other payments pursuant to our collaboration agreements and government grants and contracts for research and development. We do not anticipate that we will generate revenue from the sale of our products for the foreseeable future. In addition, if approved, we expect to incur significant costs to commercialize our drug candidates and our drugs may never gain market acceptance. If our drug candidates fail to demonstrate safety and efficacy in clinical trials, do not gain regulatory approval, or do not achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. If we are unable to achieve and sustain profitability, the market value of our common stock will likely decline. Because of the numerous risks and uncertainties associated with developing pharmaceutical products, we are unable to predict the extent of any future losses or whether we will become profitable.

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The commercial success of vercirnon depends, in large part, on the development and marketing efforts of GSK, and if GSK is unable to perform in accordance with the terms of our agreement, or is unable to obtain the required regulatory approvals for vercirnon, our potential to generate future revenue from this drug candidate would be significantly reduced and our business would be materially and adversely harmed.

Since inception, we have invested a significant portion of our time and financial resources in the development of our most advanced drug candidate, vercirnon. We currently have five other drug candidates in clinical trials, but we anticipate that our ability to generate significant product revenues in the near term will depend primarily on the successful development, regulatory approval, marketing and commercialization of vercirnon by us or by GSK, which is subject to significant uncertainty. In particular, we rely on GSK to fund and conduct the current pivotal Phase III trials with respect to vercirnon. Any of the following events or factors could have a material adverse effect on our ability to generate revenue from the commercialization of vercirnon:

- GSK may be unable to successfully complete the clinical development of vercirnon;
- GSK must comply with additional requests and recommendations from the FDA, including additional clinical trials;
- GSK may not obtain all necessary approvals from the FDA and similar foreign regulatory agencies;
- GSK may not commit sufficient resources to the development, regulatory approval, marketing and distribution of vercirnon;
- Vercirnon must be manufactured in compliance with requirements of the FDA and similar foreign regulatory agencies and in commercial quantities sufficient to meet market demand;
- Vercirnon may not achieve market acceptance by physicians, patients and third party payors;
- Vercirnon may not compete successfully against alternative products and therapies; and
- We, GSK or any other pharmaceutical organization may independently develop products that compete with vercirnon.

In order to obtain approval from the FDA of a new drug application, or NDA, for vercirnon, GSK will need to demonstrate through evidence from adequate and well-controlled clinical trials that vercirnon is safe and effective for each proposed indication. However, vercirnon may not be approved even though it achieved its specified endpoints in the current and/or future pivotal Phase III clinical trials intended to support an NDA which may be conducted by GSK. The FDA may disagree with the trial design and the interpretation of data from clinical trials, may ask GSK to conduct additional costly and time consuming clinical trials in order to obtain marketing approval or approval to enter into an advanced phase of development, or may change the requirements for approval even after it has reviewed and commented on the design for our clinical trials. The FDA may also approve vercirnon for fewer or more limited indications than GSK may request, or may grant approval contingent on the performance of costly post-approval clinical trials. In addition, the FDA may not approve the labeling claims that we believe are necessary or desirable for the successful commercialization of vercirnon.

If GSK or any of our future collaboration partners does not perform in the manner we expect or fulfill its responsibilities in a timely manner, or at all, the clinical development, regulatory approval, and commercialization efforts related to vercirnon could be delayed or terminated. It may be necessary for us to assume the responsibility at our own expense for the development of vercirnon. In that event, we would likely be required to limit the size and scope of one or more of our programs or increase our expenditures and seek additional funding and our potential to generate future revenue from vercirnon would be significantly reduced and our business would be materially and adversely harmed.

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If GSK does not exercise its option thereunder, if the further development and commercialization efforts of GSK are not successful with respect to drug candidates for which it does exercise its options thereunder, or if GSK terminates the alliance or a particular program thereunder, we will not receive any additional revenue under the alliance with respect to such programs and our results of operations and financial condition will be materially adversely affected.

In August 2006, we entered into our strategic alliance with GSK. Under the terms of our agreement, we are responsible for the discovery and development of small molecule antagonists targeting four defined chemokine and chemo-attractant receptor targets (CCR9, CCR1, C5aR and ChemR23) and taking them through clinical proof-of-concept, or to such other success criteria as are established by the JSC. If we demonstrate the satisfaction of the applicable success criteria, GSK is entitled to options to exclusively license drug candidates that are subject to the collaboration and two defined back-up compounds for each drug candidate for further development and commercialization on a worldwide basis.

In December 2009, GSK exercised its option under the agreement to obtain an exclusive license for the further development and commercialization of vercirnon, our CCR9 drug candidate, and two identified back-up compounds (CCX025 and CCX807). As a result of GSK s exercise of this option, we are entitled to receive (x) up to $82.0 million, in the aggregate, consisting of (1) a non-refundable option exercise fee of $35.0 million and (2) up to $47.0 million in the aggregate for the filing of an NDA in the United States and comparable filings in other territories, (y) up to $75.0 million in the aggregate for the regulatory approval of products for commercial sale in the United States and other territories and (z) up to $250.0 million in sales milestones. In January 2010, after GSK obtained Hart-Scott-Rodino c