
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): NOVEMBER 1, 2005

LEXICON GENETICS INCORPORATED
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	000-30111 (COMMISSION FILE NUMBER)	76-0474169 (I.R.S. EMPLOYER IDENTIFICATION NUMBER)
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8800 TECHNOLOGY FOREST PLACE
THE WOODLANDS, TEXAS 77381
(ADDRESS OF PRINCIPAL EXECUTIVE
OFFICES AND ZIP CODE)

(281) 863-3000
(REGISTRANT'S TELEPHONE NUMBER,
INCLUDING AREA CODE)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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 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 November 1, 2005, we issued a press release to report our financial results for the quarter ended September 30, 2005. A copy of the press release is attached to this current report on Form 8-K as Exhibit 99.1.

The information in this Form 8-K and the Exhibit attached to this Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

EXHIBIT NO. -----	DESCRIPTION -----
99.1	-- Press Release of Lexicon Genetics Incorporated dated November 1, 2005

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 thereunto duly authorized.

LEXICON GENETICS INCORPORATED

Date: November 1, 2005

By: /s/ JEFFREY L. WADE

Jeffrey L. Wade
Executive Vice President and
General Counsel

INDEX TO EXHIBITS

EXHIBIT NO.

DESCRIPTION

99.1

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Press Release of Lexicon Genetics Incorporated dated
November 1, 2005

LEXICON GENETICS REPORTS 2005
THIRD QUARTER FINANCIAL RESULTS

THE WOODLANDS, TEXAS, NOVEMBER 1, 2005 - Lexicon Genetics Incorporated (Nasdaq: LEXG), a biopharmaceutical company focused on discovering and developing breakthrough treatments for human disease, today reported financial results for the three and nine months ended September 30, 2005.

REVENUES: Lexicon's revenues for the three months ended September 30, 2005 increased seven percent to \$14.0 million from \$13.1 million for the corresponding period in 2004. The increase was primarily attributable to collaborative research revenue recognized under Lexicon's alliance with Organon and its award from the Texas Enterprise Fund for the creation of a knockout mouse embryonic stem cell library. The third quarter of 2004 contained a performance milestone payment received by Lexicon under its therapeutic protein and antibody target discovery alliance with Genentech, Inc. The increase in revenue from Lexicon's new agreements was partially offset by a decline in subscription and license fees related to Lexicon's termination in December 2004 of the remaining subscription to its LexVision(R) database. For the nine months ended September 30, 2005, revenues increased 17 percent to \$41.8 million from \$35.7 million for the corresponding period of 2004.

RESEARCH AND DEVELOPMENT EXPENSES: Research and development expenses for the three months ended September 30, 2005 increased four percent to \$23.3 million from \$22.5 million for the corresponding period in 2004. The increase was primarily the result of external research costs associated with preclinical and scale-up activities for Lexicon's lead drug development programs and increased personnel required to support the expansion and advancement of Lexicon's drug discovery programs. For the nine months ended September 30, 2005, research and development expenses increased three percent to \$69.8 million from \$67.5 million for the corresponding period in 2004.

GENERAL AND ADMINISTRATIVE EXPENSES: General and administrative expenses for the three months ended September 30, 2005 increased two percent to \$4.7 million from \$4.6 million for the corresponding period in 2004. For the nine months ended September 30, 2005, general and administrative expenses decreased three percent to \$13.9 million from \$14.3 million for the corresponding period in 2004.

NET LOSS: Net loss for the three months ended September 30, 2005 decreased to \$14.1 million, or \$0.22 per share, from a net loss of \$14.4 million, or \$0.23 per share, in the corresponding period in 2004. Net loss for the nine months ended September 30, 2005 decreased to \$42.2 million, or \$0.66 per share, from a net loss of \$46.6 million, or \$0.74 per share, in the corresponding period in 2004.

CASH AND INVESTMENTS: As of September 30, 2005, Lexicon had \$90.2 million in cash and investments, compared to \$72.8 million as of June 30, 2005 and \$87.6 million as of December 31, 2004. Cash and investments at September 30, 2005 was favorably impacted by the receipt in August 2005 of \$35 million pursuant to Lexicon's award from the Texas Enterprise Fund for the creation of a genome-wide knockout mouse embryonic stem cell library. Cash and investments includes restricted cash and investments of \$0.4 million on September 30, 2005, June 30, 2005 and December 31, 2004.

"We continue to demonstrate healthy revenue growth from collaborative research and solid expense control, enabling us to narrow our net loss for the seventh consecutive quarter-over-quarter period," said Julia P. Gregory, Lexicon's executive vice president, corporate development and chief financial officer. "Our newest collaborations have also had a positive impact on our cash and investments."

THIRD QUARTER 2005 HIGHLIGHTS

AWARD FROM TEXAS ENTERPRISE FUND: In July 2005, Lexicon announced it was awarded \$35 million from the Texas Enterprise Fund for the creation of a knockout mouse embryonic stem cell library containing 350,000 cell lines. Lexicon will create this new library using its proprietary gene trapping technology for the Texas Institute for Genomic Medicine, a newly formed non-profit institute. In addition, Lexicon will equip the Institute with the bioinformatics software required for the management and analysis of data relating to the library. The \$35 million award was paid to Lexicon in August 2005.

CONTRACT WITH NATIONAL INSTITUTES OF HEALTH: Lexicon entered into a three-year contract to provide selected knockout mouse lines and related phenotypic data to the United States National Institutes of Health (NIH). Under the contract, NIH may select lines of knockout mice and related phenotypic data from among lines that Lexicon has elected to make available. These materials are related to genes that have already been knocked out and analyzed by Lexicon. Lexicon will receive payment from NIH of approximately \$4.9 million for NIH's initial order of knockout mouse lines. Lexicon retains the sole right to provide these materials to commercial entities. NIH is obtaining these materials from Lexicon as a first step in its recently announced Knockout Mouse Project, which has a goal of obtaining a knockout for every gene.

"During the third quarter, several of our drug discovery programs made progress, with compounds demonstrating proof-of-concept in preclinical testing," said Arthur T. Sands, M.D., Ph.D., president and chief executive officer. "We utilize our technology asset base to help fund our key strategic priorities - drug discovery and the rapid development of our lead programs."

LEXICON CONFERENCE CALL:

Dr. Arthur T. Sands and Julia P. Gregory will host a conference call at 11:00 a.m. Eastern Time on Tuesday, November 1, 2005 to review Lexicon's recent operating highlights and its financial results for the nine months ended September 30, 2005 and discuss the company's fourth quarter financial guidance.

The dial-in number for the conference call is 800-289-0552 (within the United States) or 913-981-5536 (international). The pass code for all callers is 3420717. Investors can access www.lexicon-genetics.com to listen to a live webcast of the call. The webcast will be archived and available for review through November 4, 2005.

ABOUT LEXICON GENETICS

Lexicon Genetics is a biopharmaceutical company focused on the discovery and development of breakthrough treatments for human disease. Lexicon is systematically discovering the physiological and behavioral functions of genes to identify potential points of therapeutic intervention, or drug targets. Lexicon makes these discoveries using its proprietary gene knockout technology to model the physiological effects that could be expected from prospective drugs directed against novel targets. The Company has advanced knockout-validated targets into drug discovery programs in six therapeutic areas: diabetes and obesity, cardiovascular disease, psychiatric and neurological disorders, cancer, immune system disorders and ophthalmic disease. Lexicon is working both independently and through strategic collaborations and alliances to accelerate the development and commercialization of its discoveries. Additional information about Lexicon is available through its corporate website, www.lexicon-genetics.com.

SAFE HARBOR STATEMENT

This press release contains "forward-looking statements," including statements about Lexicon's growth and future operating results, discovery and development of products, strategic alliances and intellectual property, as well as other matters that are not historical facts or information. These forward-looking statements are based on management's current assumptions and expectations and involve risks, uncertainties and other important factors, specifically including those relating to Lexicon's ability to successfully conduct preclinical development of its drug candidates and advance such candidates into clinical development, achieve its operational objectives, obtain patent protection for its discoveries and establish strategic alliances, as well as those relating to manufacturing, the regulatory process, intellectual property rights, and the therapeutic or commercial value of its drug candidates, that may cause Lexicon's actual results to be materially different from any future results expressed or implied by such forward-looking statements. Information identifying such important factors is contained under "Factors Affecting Forward-Looking Statements" and "Business - Risk Factors" in Lexicon's annual report on Form 10-K for the year ended December 31, 2004, as filed with the Securities and Exchange Commission. Lexicon undertakes no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

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