

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>ARCH VENTURE FUND V LP</u> (Last) (First) (Middle) 8725 W. HIGGINS, SUITE 290 (Street) CHICAGO IL 60631 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 03/16/2004	3. Issuer Name and Ticker or Trading Symbol <u>XCYTE THERAPIES INC [XCYT]</u> 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year) 03/10/2004 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)			

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
6% Convertible Promissory Note	03/16/2004 ⁽¹²⁾	04/30/2004 ⁽¹²⁾	Common Stock	212,009 ⁽¹³⁾	9.625 ⁽¹²⁾	D	
Series A Convertible Preferred Stock	03/16/2004 ⁽¹⁾	(1)	Common Stock	143,539 ⁽¹³⁾	(1)	I	Footnote ⁽²⁾
Series B Convertible Preferred Stock	03/16/2004 ⁽¹⁾	(1)	Common Stock	371,900 ⁽¹³⁾	(1)	I	Footnote ⁽³⁾
Series C Convertible Preferred Stock	03/16/2004 ⁽¹⁾	(1)	Common Stock	203,502 ⁽¹³⁾	(1)	I	Footnote ⁽⁴⁾
Series D Convertible Preferred Stock	03/16/2004 ⁽¹⁾	(1)	Common Stock	240,352 ⁽¹³⁾	(1)	I	Footnote ⁽⁵⁾
Series E Convertible Preferred Stock	03/16/2004 ⁽¹⁾	(1)	Common Stock	170,045 ⁽¹³⁾	(1)	I	Footnote ⁽⁶⁾
Series F Convertible Preferred Stock	03/16/2004 ⁽¹⁾	(1)	Common Stock	163,473 ⁽¹³⁾	(1)	I	Footnote ⁽¹⁴⁾
Warrants to purchase Common Stock	03/19/2004 ⁽¹¹⁾	02/04/2007 ⁽¹¹⁾	Common Stock	89,002 ⁽¹³⁾	0.055 ⁽¹¹⁾	I	Footnote ⁽¹⁵⁾
Warrants to purchase Series A Convertible Preferred Stock	03/19/2004 ⁽⁷⁾	08/31/2007 ⁽⁷⁾	Series A Convertible Preferred Stock/Common Stock	50,237 ⁽¹³⁾	5.225 ⁽⁷⁾	I	Footnote ⁽⁷⁾
Warrants to purchase Common Stock	03/19/2004 ⁽⁸⁾	08/08/2005 ⁽⁸⁾	Common Stock	26,918 ⁽¹³⁾	1.65 ⁽⁸⁾	I	Footnote ⁽⁸⁾
Warrants to purchase Common Stock	03/19/2004 ⁽⁹⁾	11/12/2006 ⁽⁹⁾	Common Stock	92,580 ⁽¹³⁾	0.055 ⁽⁹⁾	I	Footnote ⁽⁹⁾
6% Convertible Promissory Notes	03/16/2004 ⁽¹⁰⁾	04/30/2004 ⁽¹⁰⁾	Common Stock	142,831 ⁽¹³⁾	9.625 ⁽¹⁰⁾	I	Footnote ⁽¹⁰⁾

Explanation of Responses:

1. These securities are preferred stock of Xcyte Therapies, Inc. and do not have an expiration date. Each share of its preferred stock will convert automatically into one share of common stock upon closing of the initial public offering.
2. Represents securities held by ARCH Venture Fund II, L.P. and ARCH Venture Fund III, L.P., both are affiliated entities of the Reporting Person. ARCH Venture Fund II, L.P. holds 114,832 shares of common stock upon conversion of preferred stock while ARCH Venture Fund III, L.P. holds 28,707 shares of common stock upon conversion of preferred stock.
3. Represents securities held by ARCH Venture Fund II, L.P. and ARCH Venture Fund III, L.P., both are affiliated entities of the Reporting Person. ARCH Venture Fund II, L.P. holds 66,115 shares of common stock upon conversion of preferred stock while ARCH Venture Fund III, L.P. holds 305,785 shares of common stock upon conversion of preferred stock.
4. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents 203,502 shares of common stock upon conversion of preferred stock.
5. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents 240,352 shares of common stock upon conversion of preferred stock.
6. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents 170,045 shares of common stock upon conversion of preferred stock.
7. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Warrant is exercisable at the earlier of a closing of an initial public offering or its expiration date. Represents a warrant to purchase 50,237 shares of preferred stock which would convert to common stock upon closing of initial public offering.
8. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents a warrant to purchase 26,918 shares of common stock. Warrant is exercisable at the earlier of a close of an initial public offering or its expiration date.
9. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents a warrant to purchase 92,580 shares of common stock. Warrant is exercisable at the earlier of a close of an initial public offering or its expiration date.
10. Represents promissory notes at 6% held by ARCH Venture Fund III, L.P. (AVFIII), Healthcare Focus Fund, L.P. (HFF) and ARCH V Entrepreneurs Fund, L.P. (AVEF), each of which is an affiliated entity of the Reporting Person. Interest and principal convertible into shares of common stock at the close of the initial public offering. AVF III holds 61,363 shares of common stock upon conversion of promissory notes, HFF holds 80,039 shares of common stock upon conversion of promissory notes and AVEF holds 1,429 shares of common stock upon conversion of promissory notes. In addition, HFF, AVFIII and AVEF each hold a warrant to purchase shares of common stock; however, these warrants are null and void if the company completes its initial public offering, and as such are not reported.
11. Warrant is exercisable at the earlier of the close an initial public offering or its expiration date. The reporting person disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein.
12. Represents a promissory note at 6%; interest and principal convertible into shares of common stock at the close of the initial public offering at \$9.625 per share. The reporting person also holds 32,482 warrants to purchase common stock; however, the warrants are null and void if the company completes its initial public offering, and as such are not reported. The reporting person disclaims beneficial

ownership of such securities except to the extent of their pecuniary interest therein.

13. Share amounts reflect a 5.5 to 1 reverse stock split effective immediately prior to the closing of the initial public offering.

14. Represents securities held by Healthcare Focus Fund, L.P., an affiliated entity of the Reporting Person. Represents 163,473 shares of common stock upon conversion of preferred stock.

15. Represents securities held by Healthcare Focus Fund, L.P., an affiliated entity of the Reporting Person. Represents a warrant to purchase 89,002 shares of common stock.

ARCH Venture Fund V, L.P.,
BY: ARCH Venture Partners V,
L.P., Its: General Partner, BY:
ARCH Venture Partners V, 03/16/2004
LLC, Its: General Partner, BY:
Keith Crandell, Managing
Director, /s/ Keith Crandell

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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