==========

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_____ to _____

Commission file number 1-12830

BioTime, Inc.

(Exact name of registrant as specified in its charter)

California	94-3127919
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
935 Pardee Street, Berkeley, California	94710
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (510) 845-9535

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

Common Shares, no par value
(Title of Class)

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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The approximate aggregate market value of voting stock held by nonaffiliates of the registrant was $110,720,000 as of March 27, 2000. Shares held by each executive officer and director and by each person who beneficially owns more than 5% of the outstanding Common Shares have been excluded in that such persons may under certain circumstances be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

10,891,823

(Number of Common Shares outstanding as of March 27, 2000)

Documents Incorporated by Reference
None

PART I

Statements made in this Form 10-K that are not historical facts may constitute forward- looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those discussed. Words such as "expects," "may," "will," "anticipates,""intends," "plans," "believes," "seeks," "estimates," and similar expressions identify forward-looking statements. See "Risk Factors" and Note 1 to Financial Statements.

Item 1. Description of Business

Overview

BioTime, Inc. (the "Company" or "BioTime") is a development stage company engaged in the research and development of synthetic solutions that can be used as blood plasma volume expanders, blood replacement solutions during hypothermic (low temperature) surgery, and organ preservation solutions. Plasma volume expanders are used to treat blood loss in surgical or trauma patients until blood loss becomes so severe that a transfusion of packed red blood cells or other blood products is required. The Company is also developing a specially formulated hypothermic blood substitute solution that would have a similar function and would be used for the replacement of very large volumes of a patient's blood during cardiac surgery, neurosurgery and other surgeries that involve lowering the patient's body temperature to hypothermic levels.

The Company's first product, Hextend(R), is a physiologically balanced

blood plasma volume expander, for the treatment of hypovolemia. Hypovolemia is a condition often associated with blood loss during surgery or from injury. Hextend maintains circulatory system fluid volume and oncotic pressure and keeps vital organs perfused during surgery. Hextend, approved for large-volume use in major surgery, is the only blood plasma volume expander that contains hetastarch, buffer, multiple electrolytes and glucose. Hextend is designed to compete with and to replace flawed older products such as albumin and other colloid solutions, as well as crystalloid solutions, that have been used to maintain fluid volume and blood pressure during surgery. Hextend is also completely sterile to avoid risk of infection. Health insurance reimbursements and HMO coverage now include the cost of Hextend used in surgical procedures.

Hextend is being sold in the United States by Abbott Laboratories under an exclusive license from the Company. Abbott also has the right to sell Hextend in Canada, where an application for marketing approval is pending. BioTime has retained all rights to manufacture, sell or license Hextend and other products in all other countries. Abbott also has a right to obtain licenses to manufacture and sell other BioTime products. See "Licensing" for more information about the license granted to Abbott Laboratories.

Because Hextend is a surgical product, sales will be determined by anesthesiologists, surgeons and hospital pharmacists. Abbott's marketing program for Hextend includes, in addition to advertisements in medical journals, educational presentations for its sales force and physicians

explaining the various benefits of using Hextend. Abbott is also working with hospitals to have Hextend approved for use and added to hospital formularies.

As part of the marketing program, Abbott and the Company will finance a number of limited medical studies comparing outcomes of patients receiving Hextend and patients receiving other products during surgery. It will take time to complete these studies and publish the results. The outcome of the planned medical studies and timing of the publication of the results could have an effect on the growth of demand for Hextend and sales by Abbott.

The Company is also developing two other blood volume replacement products, PentaLyte,(R) and HetaCool,TM that, like Hextend,(R) have been formulated to maintain the patient's tissue and organ function by sustaining the patient's fluid volume and physiological balance. Various colloid and crystalloid products are being marketed by other companies for use in maintaining patient fluid volume in surgery and trauma care, but the use of those solutions can contribute to patient morbidity, including conditions such as hypovolemia, edema, impaired blood clotting, acidosis, and other biochemical imbalances. Hextend, PentaLyte, and HetaCool contain constituents that may prevent or reduce the physiological imbalances that can cause those problems. The Company's products do not contain albumin. Albumin produced from human plasma is also currently used as a plasma expander, but it is expensive and subject to supply shortages. Additionally, a recent FDA ("Food and Drug Administration") warning has cautioned physicians about the risk of administering albumin to seriously ill patients. A recently published study of hemodilution in laboratory animals supports claims that hetastarch products like Hextend and PentaLyte permit blood to clot at least as well as albumin. This new study found that when used in vitro and in large volumes Hextend and PentaLyte out performed albumin and other plasma volume expanders in blood clotting tests.

Based upon the results of its clinical studies and laboratory research, the Company has determined that in many emergency care and surgical applications it is not necessary for a plasma volume expander to include special oxygen carrying molecules to replace red blood cells. Therefore, the Company is developing formulations that do not use costly and potentially toxic oxygen carrying molecules such as synthetic hemoglobin and perfluorocarbons.

The Company intends to enter global markets through licensing agreements with overseas pharmaceutical companies. By licensing its products abroad, the Company will avoid the capital costs and delays inherent in acquiring or establishing its own pharmaceutical manufacturing facilities and establishing an international marketing organization. A number of pharmaceutical companies in Europe, Asia and other markets around the world have expressed their interest in obtaining licenses to manufacture and market the Company's products. The Company is continuing to meet with representatives of interested companies and is approaching agreement to license its products in certain parts of the world.

The Company is also pursuing a global clinical trial strategy, the goal of which is to permit the Company to obtain regulatory approval for its products as quickly and economically as practicable. For example, the United States Phase III clinical trials of Hextend involved 120 patients

and were completed in less than 12 months. Although regulatory requirements vary from country to country, the Company may be able to file applications for foreign regulatory approval of its products based upon the results of the United States clinical trials. The Company's application to market Hextend in Canada, based upon its United States clinical trials, has been found acceptable for review as a New Drug Submission by the Canadian Health Protection Branch (HPB), and the Company is now awaiting completion of the HPB's review of that application. Regulatory approvals for countries that are members of the European Union may be obtained through a mutual recognition process. The Company has determined that several member nations would accept an application based upon the United States clinical trials. If approvals based upon those trials can be obtained in the requisite number of member nations, then the Company would be permitted to market Hextend in all 16 member nations.

In order to commence clinical trials for regulatory approval of new products, such as PentaLyte and HetaCool, or new therapeutic uses of Hextend, it will be necessary for the Company to prepare and file with the FDA an Investigational New Drug Application ("IND") or an amendment to expand the present IND for additional Hextend studies. Filings with foreign regulatory agencies will be required to commence clinical trials overseas.

BioTime recently completed a clinical study at the University College of London Hospitals involving elderly patients undergoing major elective surgery in which large quantities of blood were often lost. In this study, patients were treated with BioTime's Hextend plasma volume expander and other fluids designed to replace lost blood volume. Preliminary analysis indicated that the Hextend treated group showed significantly better preservation of blood pH, chloride and calcium levels, compared to those treated with 6% hetastarch in saline. Hyperchloremic acidemia was found in those surgical patients treated with saline-based surgical fluids, but not in those treated with Hextend. The study investigators have prepared abstracts of the results and have submitted a peer review journal article detailing their findings.

BioTime is also planning clinical studies of other products. BioTime has filed an IND for PentaLyte and is waiting for the FDA to complete its review before a clinical study can begin. BioTime's present plan is to seek approval of PentaLyte as a cardio-pulmonary by-pass pump priming solution and for the treatment of hypovolemia. BioTime is preparing a protocol for the use of HetaCool (a modified formulation of Hextend) to replace a portion of a patient's blood volume at temperatures ranging from 12o to 20o C. When the protocol is completed and approved by physicians who may participate in clinical trials, BioTime plans to submit the protocol to the FDA as part of an amendment to BioTime's Hextend IND. The amendment will seek permission to conduct clinical trials of HetaCool as a blood volume replacement solution in low temperature surgeries for the correction of aneurysms, and for the use of Hextend as a priming solution for cardio-pulmonary bypass pumps. Aneurysms are vascular disorders that are often found in patients suffering from aging-related cardiovascular disease.

After surgical procedures have been performed in the 12o to 20o C temperature range, BioTime plans to conduct additional clinical studies in which HetaCool will be used to replace all

of the patient's circulating blood volume at near-freezing temperatures in aneurysm surgery. BioTime has developed techniques to permit cardiovascular surgery while the patient is maintained in a state of circulatory arrest at near freezing temperatures. These techniques have been successfully used to maintain dogs and pigs in a state of circulatory arrest for periods ranging from one hour to more than two hours, and hamsters for more than six hours.

The cost of preparing regulatory filings and conducting clinical trials is not presently determinable, but could be substantial. It will be necessary for the Company to obtain additional funds in order to complete any clinical trials that may begin for its new products or for new uses of Hextend. The Company plans to negotiate product licensing and marketing agreements that require overseas licensees and distributors of Company products to bear regulatory approval and clinical trial costs for their territories.

In addition to developing clinical trial programs, the Company plans to continue to provide funding for its laboratory testing programs at selected universities, medical schools and hospitals for the purpose of developing additional uses of Hextend, PentaLyte, HetaCool, and other new products, but the amount of research that will be conducted at those institutions will depend upon the Company's financial status. Because the Company's research and development expenses, clinical trial expenses, and production and marketing expenses will be charged against earnings for financial reporting purposes, management expects that losses from operations will continue to be incurred for the foreseeable future.

The Company was incorporated under the laws of the State of California on November 30, 1990. The Company's principal office is located at 935 Pardee Street, Berkeley, California 94710. Its telephone number at such office is (510) 845-9535.

Hextend(R) and PentaLyte(R) are registered trademarks, and HetaCoolTM is a trademark, of BioTime, Inc.

Products for Surgery, Plasma Replacement and Emergency Care

The Market for Plasma Volume Expanders

The Company is developing Hextend, PentaLyte, HetaCool and other synthetic plasma expander solutions to treat acute blood loss that occurs during many kinds of surgery. The solutions could also be used by emergency room physicians or by paramedics to treat acute blood loss in trauma victims being transported to the hospital.

Approximately 10,000,000 surgeries take place in the United States each year, and blood transfusions are required in approximately 2,500,000 of those cases. Transfusions are also required to treat patients suffering severe blood loss due to traumatic injury. Many more surgical and trauma cases do not require blood transfusions but do involve significant bleeding that can place the patient at risk of suffering from shock caused by the loss of fluid volume (hypovolemia) and physiological balance. Whole blood, packed red cells, or blood plasma generally cannot be administered to a patient until the patient's blood serum has been typed and sufficient units of compatible blood or red cells can be located. Periodic shortages of supply of donated human blood are not uncommon, and rare blood types are often difficult to locate. The use of human blood products also poses the risk of exposing the patient to blood borne diseases such as AIDS and hepatitis.

Due to the risks and cost of using human blood products, even when a sufficient supply of compatible blood is available, physicians treating patients suffering blood loss are generally not permitted to transfuse red blood cells until the patient's level of red blood cells has fallen to a level known as the "transfusion trigger." During the course of surgery, while blood volume is being lost, the patient is infused with plasma volume expanders to maintain adequate blood circulation. During the surgical procedure, red blood cells are not replaced until the patient has lost approximately 45% to 50% of their red blood cells, thus reaching the transfusion trigger at which point the transfusion of red blood cells may be required. After the transfusion of red blood cells, the patient may continue to experience blood volume loss, which will be replaced with plasma volume expanders. Even in those patients who do not require a transfusion, physicians routinely administer plasma volume expanders to maintain sufficient fluid volume to permit the available red blood cells to circulate throughout the body and to maintain the patient's physiological balance.

Several units of fluid replacement products are often administered during surgery. The number of units will vary depending upon the amount of blood loss and the kind of plasma volume expander administered. Crystalloid products must be used in larger volumes than colloid products such as Hextend.

Other plasma volume expanders have certain draw backs. The use of those products can contribute to patient morbidity, including conditions such as hypovolemia, edema, impaired blood clotting, acidosis, and other biochemical imbalances. In contrast, Hextend, PentaLyte, and HetaCool contain constituents that may prevent or reduce the physiological imbalances that cause the problems associated with the use of other plasma volume expanders, and because the Company's products are

synthetic they can be manufactured in large volumes. Albumin produced from human plasma is expensive and subject to supply shortages. Additionally, a recent FDA warning has cautioned physicians about the risk of administering albumin to seriously ill patients. A recently published study of hemodilution in laboratory animals contradicts claims that hetastarch products like Hextend and PentaLyte may impair the ability of blood to clot to a greater degree than albumin. This new study found that when used in vitro and in large volumes Hextend and PentaLyte out performed albumin and other plasma volume expanders in blood clotting tests.

The Market for Products for Hypothermic Surgery

Approximately 400,000 coronary bypass and other open heart surgeries are performed in the United States annually, and approximately 18,000 aneurysm surgeries and 4,000 arterio-venous malformation surgeries were performed in the United States during 1989. Those procedures often require the use of cardio-pulmonary bypass equipment to do the work of the heart and lungs during the surgery. During open heart surgery and surgical procedures for the treatment of certain cardiovascular conditions such as large aneurysms, cardiovascular abnormalities and damaged blood vessels in the brain, surgeons must temporarily interrupt the flow of blood through the body. Interruption of blood flow can be maintained only for short periods of time at normal body temperatures because many critical organs, particularly the brain, are quickly damaged by the resultant loss of oxygen. As a result, certain surgical procedures are performed at low temperatures because lower body temperature helps to minimize the chance of damage to the patient's organs by reducing the patient's metabolic rate, thereby decreasing the patient's needs during surgery for oxygen and nutrients which normally flow through the blood.

Current technology limits the degree to which surgeons can lower a patient's temperature and the amount of time the patient can be maintained at a low body temperature because blood, even when diluted, cannot be circulated through the body at near-freezing temperatures. As a result, surgeons face severe time constraints in performing surgical procedures requiring blood flow interruption, and those time limitations prevent surgeons from correcting certain cardiovascular abnormalities.

Hextend, PentaLyte and HetaCool

The Company's first three blood volume replacement products, Hextend, PentaLyte, and HetaCool, have been formulated to maintain the patient's tissue and organ function by sustaining the patient's fluid volume and physiological balance. Hextend, PentaLyte, and HetaCool, are composed of a hydroxyethyl starch, electrolytes, sugar and a buffer in an aqueous base. Hextend and HetaCool use a high molecular weight hydroxyethyl starch (hetastarch) whereas PentaLyte uses a lower molecular weight hydroxyethyl starch (pentastarch). The hetastarch is retained in the blood longer than the pentastarch, which may make Hextend and HetaCool the products of choice when a larger volume of plasma expander or blood replacement solution for low temperature surgery is needed or where the patient's ability to restore his own blood proteins after surgery is compromised. PentaLyte, with pentastarch, would be eliminated from the blood faster than Hextend and HetaCool

and might be used when less plasma expander is needed or where the patient is more capable of quickly restoring lost blood proteins. The Company recently began testing HexaLyte, a new plasma volume expander that contains a low molecular weight hydroxyethyl starch and that would be eliminated from the body more rapidly than Hextend and HetaCool, but not as rapidly as PentaLyte. BioTime believes that by testing and bringing these products to the market, it can increase its market share by providing the medical community with solutions to match patients' needs.

Certain test results indicate that Hextend and PentaLyte may prove more effective at maintaining blood calcium levels than the leading domestically available plasma extender when used to replace large volumes of blood. Calcium can be a significant factor in regulating blood clotting and cardiac function.

BioTime has not attempted to synthesize potentially toxic and costly oxygen carrying molecules such as hemoglobin because the loss of fluid volume and physiological balance may contribute as much to shock as the loss of the oxygen carrying component of the blood. Surgical and trauma patients are routinely given supplemental oxygen and retain a substantial portion of their own red blood cells. Whole blood or packed red blood cells are generally not transfused during surgery or in trauma care until several units of plasma or plasma volume expanders have been administered and the patient's hematocrit has fallen to the transfusion trigger. Therefore, the lack of oxygen carrying molecules in the Company's solutions should not pose a significant contraindication to use.

Hextend is BioTime's proprietary hetastarch-based synthetic blood plasma volume expander, designed especially to treat hypovolemia in surgery and trauma care where patients experience a large amount of blood loss. An important goal of the Hextend development program was to produce a product that can be used in multi-liter volumes to treat patients who have lost a large volume of blood during surgery or as a result of injury. The safety related secondary endpoints targeted in the U.S. clinical study included those involving coagulation. The Company believes that the low incidence of adverse events related to blood clotting in the Hextend patients demonstrates that Hextend may be safely used in large amounts. An average of 1.6 liters of Hextend was used in the clinical trials, with an average of two liters for patients who received transfused blood products. The use of Hextend in volumes exceeding five liters has been reported in a number of high blood loss cases since Hextend became available for use in the United States.

BioTime plans to test the use of Hextend as a cardio-pulmonary bypass circuit priming solution. In order to perform heart surgery, the patient's heart must be stopped and a mechanical apparatus is used to oxygenate and circulate the blood. The cardio-pulmonary bypass apparatus requires a blood compatible fluid such as Hextend to commence and maintain the process of diverting the patient's blood from the heart and lungs to the mechanical oxygenator and pump.

BioTime believes that Hextend will maintain blood pressure and physiological balance better than the solutions presently used as bypass priming solutions. Approximately 2 liters of Hextend would be used for each bypass operation. Based upon the number of coronary bypass operations

performed, the potential market for Hextend as a bypass circuit priming solution in the United States would be about 800,000 liters annually.

PentaLyte is BioTime's proprietary pentastarch-based synthetic plasma expander, designed especially for use when a faster elimination of the starch component is desired and acceptable. Although Hextend can be used in these cases, some physicians appear to prefer a solution which could be metabolized faster and excreted earlier when the longer term protection provided by Hextend is not required. PentaLyte combines the physiologically balanced Hextend formulation with pentastarch that has a lower molecular weight and degree of substitution than the hetastarch used in Hextend. BioTime has filed an IND for PentaLyte and is waiting for the FDA to complete its review before a clinical study can begin. BioTime's present plan is to seek approval of PentaLyte as a cardio-pulmonary by-pass pump priming solution and for the treatment of hypovolemia.

HetaCool is a modified formulation of Hextend. HetaCool is specifically designed for use at low temperatures. Surgeons are already using a variety of other solutions to carry out certain limited procedures involving shorter term (up to nearly one hour) arrest of brain and heart function at temperatures between 15o and 25o C. However, BioTime is not aware of any fluid currently used in medical practice or any medically-approved protocol allowing operations which can completely replace all of a patient's blood at temperatures close to the ice point. The Company believes that very low temperature bloodless surgical techniques could be developed for open heart and minimally invasive closed chest cardiovascular surgeries, and removal of tumors from the brain, head, neck, heart, and other areas.

The Company is in the process of preparing an amendment to its Hextend IND application to conduct preliminary clinical trials to use HetaCool as a cardio-pulmonary bypass circuit priming solution in low temperature cardio-vascular surgery. Those preliminary clinical trials will be a step to preparing an amended IND application to conduct clinical trials using HetaCool as a solution to replace all of a patient's circulating blood volume during profound hypothermic (carried out at near- freezing temperatures) surgical procedures. The experimental protocol for the planned blood replacement clinical trial is being tested on animal subjects. HetaCool would be introduced into the patient's body during the cooling process. Once the patient's body temperature is nearly ice cold, and heart and brain function are temporarily arrested, the surgeon would perform the operation. During the surgery, HetaCool may be circulated throughout the body in place of blood, or the circulation may be arrested for a period of time if an interruption of fluid circulation is required. Upon completion of the surgery, the patient would be slowly warmed and blood would be transfused.

Cardiac surgeons are working to develop innovative procedures to repair damaged coronary arteries and heart valves. If optically guided surgical instruments can be inserted into the heart through blood vessels or small incisions, there may be no need to open the patient's chest cavity. BioTime believes that HetaCool may be useful in these minimally invasive closed chest cardiac procedures because the solution is transparent and if it were used to completely replace blood at low temperatures it would permit surgeons to use their optically guided instruments inside the heart or

blood vessels without having their view obstructed by blood. The use of BioTime's solutions may also allow better control over stopping and starting the heart, as well as extending the time period of such surgeries. BioTime intends to conduct a series of laboratory studies using animal subjects to test the utility of HetaCool as a low temperature blood substitute in such procedures.

HetaCool has been used to completely replace the blood volume of hamsters, dogs, pigs, and baboons at temperatures approaching freezing. Many of these animal subjects survived long term after hypothermic blood substitution with HetaCool. In these laboratory tests, the animals' blood was replaced by HetaCool and they were chilled for one to more than four hours with deep body temperatures between 1oC and 10oC.

BioTime is developing a new formulation that has allowed the revival of hamsters after as long as 6.5 hours of hypothermic blood substitution during which time the animals' heartbeat and circulation were stopped.

Organ Transplant Products

The Market for Organ Preservation Solutions

Organ transplant surgery is a growing field. Each year in the United States, approximately 5,000 donors donate organs, and approximately 5,000 people donate skin, bone and other tissues.

As more surgeons have gained the necessary expertise and surgical methods have been refined, the number of transplant procedures has increased, as has the percentage of successful transplants. Organ transplant surgeons and their patients face two major obstacles, namely the shortage of available organs from donors, and the limited amount of time that a transplantable organ can be kept viable between the time it is harvested from the donor and the time it is transplanted into the recipient.

The scarcity of transplantable organs makes them too precious to lose and increases the importance of effective preservation technology and products. Current organ removal and preservation technology generally requires multiple preservation solutions to remove and preserve effectively different groups of organs. The removal of one organ can impair the viability of other organs. Available technology does not permit surgeons to keep the remaining organs viable within the donor's body for a significant time after the first organ is removed. Currently, an organ available for transplant is flushed with an ice cold solution during the removal process to deactivate the organ and preserve its tissues, and then the organ is transported on ice to the donee. The ice cold solutions currently used, together with transportation on ice, keep the organ healthy for only a short period of time. For example, the storage time for hearts is limited to approximately six hours. Because of the short time span available for removal and transplant of an organ, potential organ donees may not receive the needed organs.

BioTime is seeking to address this problem by developing a more effective organ preservation solution that will permit surgeons to harvest all transplantable organs from a single donor. The Company believes that preserving the viability of all transplantable organs and tissues simultaneously, at low temperatures, would extend by several hours the time span in which the organs can be preserved prior to transplant.

Using HetaCool for Multi-Organ Preservation. The Company is seeking to develop HetaCool for use as a single solution that can simultaneously preserve all of a single donor's organs. When used as an organ preservation solution, HetaCool would be perfused into the donor's body while the body is chilled, thereby eliminating an undesirable condition called "warm ischemia," caused when an organ is warm while its blood supply is interrupted. The use of HetaCool in conjunction with the chilling of the body should help to slow down the process of organ deterioration by a number of hours so that a surgeon can remove all organs for donation and transplant. The Company's current estimates are that each such preservation procedure could require as much as 50 liters of HetaCool.

The Company believes that the ability to replace an animal's blood with the Company's HetaCool solution, to maintain the animal at near freezing temperatures for several hours, and then revive the animal, would demonstrate that the solution could be used for multi-organ preservation. Company scientists have revived animals after more than six hours of cold blood-substitution, and have observed heart function in animals maintained cold and blood-substituted for more than eight hours. An objective of the Company's research and development program is to extend the time span in which animal subjects can be maintained in a cold, blood-substituted state before revival or removal of organs for transplant purposes. Organ transplant procedures using animal subjects could then be conducted to test the effectiveness of Hextend as an organ preservative.

Long-term Tissue and Organ Banking

The development of marketable products and technologies for the preservation of tissues and vital organs for weeks and months is a long-range goal of the Company's research and development plan. To permit such long-term organ banking the Company is attempting to develop products and technologies that can protect tissues and organs from the damage that occurs when human tissues are subjected to subfreezing temperatures.

HetaFreeze is one of a family of BioTime's freeze-protective solutions which may ultimately allow the extension of time during which organs and tissues can be stored for future transplant or surgical grafting. In laboratory experiments, BioTime's proprietary freeze-protective compounds have already been used to preserve skin when used as a whole animal perfusate. Silver dollar size full thickness shaved skin samples have been removed after saturation with HetaFreeze solution, frozen at liquid nitrogen temperatures and stored for periods ranging from days to weeks. The grafts were then warmed and sewn onto the backs of host animals. Many of these grafts survived.

In other laboratory experiments, BioTime scientists have shown that animals can be revived to consciousness after partial freezing with their blood replaced by HetaFreeze. While this technology has not developed to an extent that allows long term survival of the laboratory subjects, and their organs, a better understanding of the effects of partial freezing could allow for extended preservation times for vital organs, skin and blood vessels.

Other Potential Uses of BioTime Solutions

Isolated regional perfusion of anti-cancer drugs has been used to treat melanoma of the limbs, and inoperable tumors of the liver. The Company believes that employing such a procedure while the patient is kept in ice-cold blood-substitution may allow high doses of toxic anti-cancer drugs to be directed at inoperable tumors within vital organs. Keeping the rest of the patient in a cold, blood substituted state may reduce or eliminate the circulation of the toxic drugs to healthy tissues.

BioTime considers such surgical techniques to be a longer range goal of its research and development program for hypothermic surgery products. Use of this complex technology in the practice of oncology can occur only after ice-cold blood-substitution has advanced to an appropriate level of safety and effectiveness.

Research and Development Strategy

From inception through December 31, 1999, the Company has spent $16,582,509 on research and development. The greatest portion of BioTime's research and development efforts have been devoted to the development of Hextend, PentaLyte and HetaCool for conventional surgery, emergency care, low temperature surgery, and multi-organ preservation. A lesser portion of the Company's research and development efforts have been devoted to developing solutions and protocols for storing organs and tissues at subfreezing temperatures. In the future the Company may explore other applications of its products and technologies, including cancer chemotherapy. As the first products achieve market entry, more effort will be expended to bring the next tier of products to maturity.

One major focus of the Company's research and development effort has been on products and technology to extend the time animals can be kept cold and blood-substituted, and then revived without physical impairment. An integral part of that effort has been the development of techniques and procedures or "protocols" for use of the Company's products. A substantial amount of data has been accumulated through animal tests, including the proper surgical techniques, drugs and anesthetics, the temperatures and pressures at which blood and blood replacement solutions should be removed, restored and circulated, solution volume, the temperature range, and times, for maintaining circulatory arrest, and the rate at which the subject should be rewarmed.

Experiments intended to test the efficacy of the Company's low temperature blood replacement solutions and protocols for surgical applications involve replacing the animal's blood with the Company's solution, maintaining the animal in a cold blood-substituted state for a period of time, and then attempting to revive the animal. Experiments for multi-organ preservation involve the maintenance of the animal subjects at cold temperatures for longer periods of time than would be required for many surgical applications, followed by transplant procedures to test the viability of one or more of the subject's vital organs.

The Company is conducting experiments at hospital, and medical school, and university research facilities. These collaborative research programs are testing solutions and protocols developed in the Company's laboratories and, in some cases, comparing the efficacy of the Company's products with commercially available FDA approved products manufactured by other companies. Collaborative gerontological research is being conducting at the University of California at Berkeley. The Company intends to continue to foster relations with research hospitals and medical schools for the purpose of conducting collaborative research projects because it believes that such projects will introduce the Company's potential products to members of the medical profession and provide the Company with objective product evaluations from independent research physicians and surgeons.

Licensing

On April 23, 1997, the Company and Abbott entered into a License Agreement under which the Company granted to Abbott an exclusive license to manufacture and sell Hextend in the United States and Canada for all therapeutic uses other than those involving hypothermic surgery where the patient's body temperature is lower than 12(degree)C ("Hypothermic Use"), or replacement of substantially all of a patient's circulating blood volume ("Total Body Washout"). The Company has retained all rights to manufacture, sell or license Hextend and other products in all other countries.

Under the License Agreement, Abbott has agreed to pay the Company up to $40,000,000 in license fees, of which $2,500,000 has been paid to date for the grant of the license and the achievement of certain milestones. Up to $37,500,000 of additional license fees will be payable based upon annual net sales of Hextend, at the rate of 10% of annual net sales if annual net sales exceed $30,000,000 or 5% if annual net sales are between $15,000,0000 and $30,000,000. Abbott's obligation to pay licensing fees on sales of Hextend will expire on the earlier of January 1, 2007 or, on a country by country basis, when all patents protecting Hextend in the applicable country expire or any third party obtains certain regulatory approvals to market a generic equivalent product in that country.

In addition to the license fees, Abbott will pay the Company a royalty on total annual net sales of Hextend. The royalty rate will be 5% plus an additional .22% for each $1,000,000 of annual net sales, up to a maximum royalty rate of 36%. The royalty rate for each year will be applied on a total net sales basis so that once the highest royalty rate for a year is determined, that rate will be

paid with respect to all sales for that year. Abbott's obligation to pay royalties on sales of Hextend will expire in the United States or Canada when all patents protecting Hextend in the applicable country expire and any third party obtains certain regulatory approvals to market a generic equivalent product in that country.

Abbott has agreed that the Company may convert Abbott's exclusive license to a non- exclusive license or may terminate the license outright if certain minimum sales and royalty payments are not met. In order to terminate the license outright, the Company would pay a termination fee in an amount ranging from the milestone payments made by Abbott to an amount equal to three times prior year net sales, depending upon when termination occurs. Abbott's exclusive license also may terminate, without the payment of termination fees by the Company, if Abbott fails to market Hextend. Abbott has agreed to manufacture Hextend for sale by the Company in the event that Abbott's exclusive license is terminated in either case.

Abbott has a right to acquire additional licenses to manufacture and sell the Company's other plasma expander products in the United States and Canada. If Abbott exercises its right to acquire a license to sell such products for uses other than Hypothermic Surgery or Total Body Washout, in addition to paying royalties, Abbott will be obligated to pay a license fee based upon the Company's direct and indirect research, development and other costs allocable to the new product. If Abbott desires to acquire a license to sell any of the Company's products for use in Hypothermic Surgery or Total Body Washout, the license fees and other terms of the license will be subject to negotiation between the parties. For the purpose of determining the applicable royalty rates, net sales of any such new products licensed by Abbott will be aggregated with sales of Hextend. If Abbott does not exercise its right to acquire a new product license, the Company may manufacture and sell the product itself or may license others to do so.

In order to preserve its rights to obtain an exclusive license for PentaLyte under the License Agreement, Abbott notified the Company that Abbott will supply BioTime with batches of PentaLyte, characterization and stability studies, and other regulatory support needed for BioTime to file an IND and conduct clinical studies.

The foregoing description of the License Agreement is a summary only and is qualified in all respects by reference to the full text of the License Agreement.

The Company is also discussing and negotiating prospective licensing arrangements with other pharmaceutical companies, some of which have the capacity to produce and market the Company's products in various countries. Representatives of the Company and Nihon Pharmaceutical Company, Ltd. ("Nihon") have been discussing the development of BioTime products for the Japanese market, and the development of a clinical trial program to obtain Japanese regulatory approval. Nihon and the Company previously signed a letter of intent to negotiate a licensing agreement to manufacture and market BioTime products in Japan. Nihon is a subsidiary of Takeda Chemical Industries, Japan's largest pharmaceutical manufacturer. In licensing arrangements that include marketing rights, the participating pharmaceutical company would be

entitled to retain a large portion of the revenues from sales to end users and would pay the Company a royalty on net sales. There is no assurance that any such additional arrangements can be made.

Manufacturing

Facilities Required

The Company has sufficient equipment, space and personnel needed to synthesize the quantities of its products used in its research activity, but the Company does not have facilities to manufacture the solution in commercial quantities, or under "good manufacturing practices" required by the FDA. Any products that are used in clinical trials for FDA approval, or that are approved by the FDA for marketing, will have to be manufactured according to "good manufacturing practices" at a facility that has passed FDA inspection. In addition, any products that are approved by the FDA will have to be manufactured in commercial quantities, and with sufficient stability to withstand the distribution process, and in compliance with such federal and state regulatory requirements as may be applicable. The active ingredients and component parts of the products must be either USP or themselves manufactured according to "good manufacturing practices."

Abbott, which manufactures Hextend for the North American market, and NPBI International, BV, a Netherlands company ("NPBI"), that has manufactured lots of Hextend for the Company's use in seeking regulatory approval in Europe, both have the facilities to manufacture Hextend and other Company products in commercial quantities. If Abbott chooses not to obtain a license to manufacture and market another BioTime product, and if NPBI declines to manufacture BioTime products on a commercial basis, the Company will need to enter into licensing or product manufacturing arrangements with another established pharmaceutical company.

Acquiring a manufacturing facility would involve significant expenditure of time and money for design and construction of the facility, purchasing equipment, hiring and training a production staff, purchasing raw material and attaining an efficient level of production. Although the Company has not determined the cost of constructing production facilities that meet FDA requirements, it expects that the cost would be substantial, and that the Company would need to raise additional capital in the future for that purpose. There can be no assurance that the Company will be able to obtain the capital required for the acquisition of production facilities. To avoid the incurrence of those expenses and delays, the Company is seeking contract and licensing arrangements with established pharmaceutical companies for the production of the Company's products, but there can be no assurance that satisfactory arrangements will be made.

Raw Materials

Although most ingredients in the products being developed by the Company are readily obtainable from multiple sources, the Company knows of only a few manufacturers of the hydroxyethyl starches that serve as the drug substance in Hextend, PentaLyte and HetaCool. Abbott

presently has a source of supply of the hydroxyethyl starch used in Hextend, PentaLyte and HetaCool, and has agreed to maintain a supply sufficient to meet market demand for Hextend in the United States and Canada. In order to manufacture its products for overseas markets, or products not presently licensed to Abbott for the United States and Canadian markets, the Company or a licensee would have to secure a supply or production agreement with one or more of the known hydroxyethyl starch manufacturers. The Company believes that it will be able to obtain a sufficient supply of starch for its needs in the foreseeable future, although it does not have a supply agreement in place. If for any reason a sufficient supply of hydroxyethyl starch could not be obtained, the Company or a licensee would have to acquire a manufacturing facility and the technology to produce the hydroxyethyl starch according to good manufacturing practices. The Company would have to raise additional capital to participate in the development and acquisition of the necessary production technology and facilities.

If arrangements cannot be made for a source of supply of hydroxyethyl starch, the Company would have to reformulate its solutions to use one or more other starches that are more readily available. In order to reformulate its products, the Company would have to perform new laboratory testing to determine whether the alternative starches could be used in a safe and effective synthetic plasma volume expander, low temperature blood substitute or organ preservation solution. If needed, such testing would be costly to conduct and would delay the Company's product development program, and there is no certainty that any such testing would demonstrate that an alternative ingredient, even if chemically similar to the one currently used, would be as safe or effective.

Marketing

Because Hextend is a surgical product, sales efforts must be directed to anesthesiologists, surgeons, intensive care and trauma care physicians, and hospital pharmacists. In order to reach that customer base, sales calls are made to hospital pharmacies, advertisements are placed in medical journals, and presentations of marketing information are made to physicians individually and at medical conferences and in the hospital setting. Abbott is also working with hospitals to have Hextend approved for use and added to hospital formularies. As is common in the pharmaceutical industry, many customers received free samples of Hextend, which is often an effective way to introduce a new product to physicians, but also may result in a delay in the first purchase until a re-order is needed.

Hextend competes with other products used to treat or prevent hypovolemia, including albumin, generic 6% hetastarch solutions, and crystalloid solutions. The competing products have been commonly used in surgery and trauma care for many years, and in order to sell Hextend, physicians must be convinced to change their product loyalties. Although albumin is expensive, crystalloid solutions and generic 6% hetastarch solutions sell at low prices. In order to compete with other products, particularly those that sell at lower prices, Hextend will have to be recognized as providing medically significant advantages. As part of the marketing program, Abbott and the Company will finance a number of limited medical studies comparing outcomes of patients receiving

Hextend and patients receiving other products during surgery, and comparing the relative patient care cost of using Hextend compared to other products. The results of these studies will be published in a series of abstracts, reports and peer reviewed journal articles intended for the target Hextend customer base. It will take time to complete these studies and publish the results. The outcome of the planned medical studies and timing of the publication of the results could have an effect on the growth of demand for Hextend and sales by Abbott.

The Company is discussing product licensing arrangements with a number of companies for over-seas markets and is approaching agreement to license its products in certain parts of the world. Although such arrangements could permit the Company to receive revenues from the sale of its products expeditiously, without the time and expense of developing its own manufacturing facilities and marketing resources, the Company would have to share sales revenues with the participating pharmaceutical companies. There can be no assurance that any additional pharmaceutical companies will be willing to enter into marketing arrangements on terms acceptable to the Company. If the Company does not enter into licensing or other arrangements for the sale of a product in a particular market, the Company would have to establish its own marketing organization.

Government Regulation

The FDA and foreign regulatory authorities will regulate the Company's proposed products as drugs, biologicals, or medical devices, depending upon such factors as the use to which the product will be put, the chemical composition and the interaction of the product on the human body. In the United States, products that are intended to be introduced into the body, such as blood substitute solutions for low temperature surgery and plasma expanders, will be regulated as drugs and will be reviewed by the FDA staff responsible for evaluating biologicals.

The Company's domestic human drug products will be subject to rigorous FDA review and approval procedures. After testing in animals, an Investigational New Drug (IND) application must be filed with the FDA to obtain authorization for human testing. Extensive clinical testing, which is generally done in three phases, must then be undertaken at a hospital or medical center to demonstrate optimal use, safety and efficacy of each product in humans. Each clinical study is conducted under the auspices of an independent Institutional Review Board ("IRB"). The IRB will consider, among other things, ethical factors, the safety of human subjects and the possible liability of the institution. The time and expense required to perform this clinical testing can far exceed the time and expense of the research and development initially required to create the product. No action can be taken to market any therapeutic product in the United States until an appropriate New Drug Application ("NDA") has been approved by the FDA. Even after initial FDA approval has been obtained, further studies may be required to provide additional data on safety or to gain approval for the use of a product as a treatment for clinical indications other than those initially targeted. In addition, use of these products during testing and after marketing could reveal side effects that could delay, impede or prevent FDA marketing approval, resulting in a FDA-ordered product recall, or in FDA-imposed limitations on permissible uses.

The FDA also regulates the manufacturing process of pharmaceutical products and requires that a portion of the clinical trials for new products be conducted using products produced in compliance with "good manufacturing practices." See "Manufacturing."

Sales of pharmaceutical products outside the United States are subject to foreign regulatory requirements that vary widely from country to country. Even if FDA approval has been obtained, approval of a product by comparable regulatory authorities of foreign countries must be obtained prior to the commencement of marketing the product in those countries. The time required to obtain such approval may be longer or shorter than that required for FDA approval.

Patents and Trade Secrets

The Company holds a number of United States patents having composition and methods of use claims covering BioTime's proprietary solutions, including Hextend and PentaLyte. The most recent U.S. patents were issued during 1998. Patents covering certain of the Company's solutions have also been issued in Australia, Israel, and South Africa. Additional patent applications have been filed in the United States and numerous other countries for Hextend, PentaLyte and other solutions.

There is no assurance that any additional patents will be issued, or that any patents now held or later obtained by the Company will not be successfully challenged by third parties and declared invalid or infringing of third party claims. Further, the enforcement of patent rights often requires litigation against third party infringers, and such litigation can be costly to pursue.

While the Company believes that the protection of patents and licenses is important to its business, the Company also will rely on trade secrets, know-how and continuing technological advancement to maintain its competitive position. The Company has entered into intellectual property, invention and non-disclosure agreements with its employees and it is the Company's practice to enter into confidentiality agreements with its consultants. There can be no assurance, however, that these measures will prevent the unauthorized disclosure or use of the Company's trade secrets and know-how or that others may not independently develop similar trade secrets and know-how or obtain access to the Company's trade secrets, know-how or proprietary technology. If, in the future, the techniques for use of the Company's products become widely known through academic instruction or publication, patent protection would become more important as a means of protecting the Company's market share for its products.

Competition

The Company's solutions will compete with products currently used to treat or prevent hypovolemia, including albumin, other colloid solutions, and crystalloid solutions presently manufactured by established pharmaceutical companies, and with human blood products. Some of

these products, in particular crystalloid solutions, are commonly used in surgery and trauma care and sell at low prices. In order to compete with other products, particularly those that sell at lower prices, the Company's products will have to be recognized as providing medically significant advantages. The competing products are being manufactured and marketed by established pharmaceutical companies that have large research facilities, technical staffs and financial and marketing resources. DuPont Pharmaceuticals presently markets Hespan, an artificial plasma volume expander. Abbott and Baxter International manufacture and sell a generic equivalent of Hespan. As a result of the introduction of generic plasma expanders intended to compete with Hespan, competition in the plasma expander market has intensified and wholesale prices have declined.

To compete with new and existing plasma expanders, the Company is developing products that contain constituents that may prevent or reduce the physiological imbalances, bleeding, fluid overload, edema, poor oxygenation, and organ failure that can occur when competing products are used. To compete with existing organ preservation solutions, the Company is seeking to develop a solution that can be used to preserve all organs simultaneously and for long periods of time.

A number of other companies are known to be developing hemoglobin and synthetic red blood cell substitutes and technologies. BioTime's products have been developed for use either before red blood cells are needed or in conjunction with the use of red blood cells. In contrast, hemoglobin and other red blood cell substitute products are designed to remedy ischemia and similar conditions that may result from the loss of oxygen carrying red blood cells. Those products would not necessarily compete with the Company's products unless the oxygenating molecules were included in solutions that could replace fluid volume and prevent or reduce the physiological imbalances as effectively as the Company's products. Generally, red blood cell substitutes are more expensive to produce and potentially more toxic than Hextend and PentaLyte.

Competition in the areas of business targeted by the Company is likely to intensify further as new products and technologies reach the market. Superior new products are likely to sell for higher prices and generate higher profit margins once acceptance by the medical community is achieved. Those companies that are successful in introducing new products and technologies to the market first may gain significant economic advantages over their competitors in the establishment of a customer base and track record for the performance of their products and technologies. Such companies will also benefit from revenues from sales which could be used to strengthen their research and development, production, and marketing resources. All companies engaged in the medical products industry face the risk of obsolescence of their products and technologies as more advanced or cost effective products and technologies are developed by their competitors. As the industry matures, companies will compete based upon the performance and cost effectiveness of their products.

Employees

As of December 31, 1999, the Company employed 14 persons on a full-time basis and 4 persons on a part-time basis. Three full-time employees and two part-time employee hold Ph.D. or Masters Degrees in one or more fields of science.

Risk Factors

Some of the factors that could materially affect the Company's operations and prospects are discussed below. There may be other factors that are not mentioned here or of which BioTime is not presently aware that could also affect BioTime's operations.

Uncertainty of Future Sales; Competition

The Company's ability to generate substantial operating revenue depends upon its success in developing and marketing its products. There can be no assurance that Hextend or any other products that receive FDA or foreign regulatory approval will be successfully marketed or that the Company will receive sufficient revenues from product sales to meet its operating expenses. The acceptance of the Company's products and technologies by the medical profession may take time to develop because physicians and hospitals may be reluctant to try a new product due to the high degree of risk associated with the application of new technologies and products in the field of human medicine.

The Company's plasma expander products will compete with products currently used to treat or prevent hypovolemia, including albumin and other colloid solutions, and crystalloid solutions. Some of these products, in particular crystalloid solutions, are commonly used in surgery and trauma care and sell at low prices. In order to compete with other products, particularly those that sell at lower prices, the Company's products will have to be recognized as providing medically significant advantages. The competing products are being manufactured and marketed by established pharmaceutical companies with substantial resources. DuPont Pharmaceuticals presently markets Hespan, an artificial plasma volume expander. Abbott and Baxter International manufacture and sell a generic equivalent of Hespan. As a result of the introduction of generic plasma expanders intended to compete with Hespan, competition in the plasma expander market has intensified and wholesale prices have declined. There also is a risk that the Company's competitors may succeed in developing safer or more effective products that could render the Company's products and technologies obsolete or noncompetitive.

BioTime Needs to Raise Additional Capital

The Company needs to raise capital to meet its operating expenses until such time as it is able to generate sufficient revenues from product sales or royalties. There can be no assurance that the Company will be able to raise additional funds on favorable terms or at all, or that such funds, if raised, will be sufficient to permit the Company to continue its operations, notwithstanding the progress of its research and development projects. The Company's operating expenses will increase if it succeeds in bringing additional products out of the laboratory testing phase of development and into clinical trials. Additional financing may be required for the continuation or expansion of the Company's research and product development, additional clinical trials of new products, and production and marketing of Company products that receive FDA or foreign regulatory approval. Although the Company will continue to seek licensing fees from pharmaceutical companies for

licenses to manufacture and market the Company's products abroad, additional sales of equity or debt securities may be required to meet the Company's short-term capital needs. Sales of additional equity securities could result in the dilution of the interests of present shareholders.

BioTime Products Cannot Be Marketed Without FDA and Other Regulatory Approvals

The products that BioTime develops cannot be sold until the FDA and corresponding foreign regulatory authorities approve the products for medical use. The regulatory process, which includes preclinical, clinical and post-clinical testing of each product to establish its safety and efficacy, can take several years to complete and require the expenditure of substantial time and funds. Data obtained from preclinical and clinical activities are susceptible to varying interpretations which could delay, limit or prevent regulatory approval. In addition, delays or rejections may be encountered as a result of changes in FDA policy during the period of product development and FDA regulatory review. Similar delays may also be encountered in foreign countries. There can be no assurance that, even after substantial expenditures of time and money, regulatory approval will be obtained for any products developed by the Company. Moreover, even if regulatory approval of a product is granted, such approval may entail limitations on the indicated uses for which the product may be marketed. After regulatory approval is obtained, the approved product, the manufacturer and the manufacturing facilities are subject to continual review and periodic inspections, and a later discovery of previously unknown problems with a product, manufacturer or facility may result in restrictions on such product or manufacturer, including withdrawal of the product from the market. Failure to comply with the applicable regulatory requirements can, among other things, result in fines, suspensions of regulatory approvals, product recalls, operating restrictions and criminal prosecution. Additional government regulation may be established which could prevent or delay regulatory approval of the Company's products.

Development Stage Company

BioTime is in the development stage, and, to date, has been principally engaged in research and development activities. Only one of the Company's products is presently on the market, and the Company has not generated a significant amount of operating revenue from royalties on sales. As a result of the developmental nature of its business, the Company can be expected to sustain additional operating losses. There can be no assurance that the Company will generate sufficient revenues from the sale or licensing of its products and technologies to be profitable.

Uncertainty as to the Successful Development of Medical Products

The Company's business involves the attempt to develop new medical products and technologies. Such experimentation is inherently costly, time consuming and uncertain as to its results. If the Company is successful in developing a new technology or product, refinement of the new technology or product and definition of the practical applications and limitations of the technology or product may take years and require the expenditure of large sums of money. From the date of the Company's

inception through December 31, 1999, the Company spent $16,582,509 on research and development, and the Company expects to continue to incur substantial research and development expenses.

Absence of Manufacturing and Marketing Capabilities; Reliance Upon Licensing

The Company presently does not have adequate facilities or resources to manufacture its products or the hydroxyethyl starches used in its products. BioTime has granted Abbott an exclusive license to manufacture and market Hextend in the United States and Canada, and BioTime plans to enter into additional arrangements with pharmaceutical companies for the production and marketing of the Company's products in other countries. In addition, NPBI International, BV, a Netherlands Company, has the facilities to manufacture Hextend for BioTime. However, there can be no assurance that the Company will be successful in entering into additional manufacturing and marketing arrangements. If additional manufacturing and marketing arrangements cannot be made on acceptable terms, the Company may have to construct or acquire its own manufacturing facilities and to establish its own marketing organization, which would entail significant expenditures of time and money.

Patents May Not Protect BioTime Products from Competition

The Company has obtained patents in the United States, Israel, Australia and South Africa, and has filed patent applications in certain foreign countries, for certain products, including Hextend and PentaLyte. No assurance can be given that any additional patents will be issued to the Company, or that the Company's patents will provide meaningful protection against the development of competing products. There also is no assurance that competitors will not successfully challenge the validity or enforceability of any patent issued to the Company. The costs required to uphold the validity and prevent infringement of any patent issued to the Company could be substantial, and the Company might not have the resources available to defend its patent rights.

Prices and Sales of Products May be Limited by Health Insurance Coverage and Government Regulation

Success in selling BioTime's products may depend in part on the extent to which health insurance companies, HMOs, and government health administration authorities such as Medicare and Medicaid will pay for the cost of the products and related treatment. Health insurance reimbursements and HMO coverage now include the cost of Hextend used in surgical procedures. However, there can be no assurance that such reimbursements will continue. In some foreign countries, pricing or profitability of health care products is subject to government control. In the United States, there have been a number of federal and state proposals to implement similar government controls, and new proposals are likely to be made in the future.

Dependence Upon Key Personnel

The Company depends to a considerable degree on the continued services of its executive officers. Although the Company maintains key man life insurance in the amount of $1,000,000 on the life of Dr. Paul Segall, the loss of the services of any of the executive officers could have a material adverse effect on the Company. In addition, the success of the Company will depend, among other factors, upon successful recruitment and retention of additional highly skilled and experienced management and technical personnel.

BioTime Does Not Pay Cash Dividends

BioTime does not pay cash dividends on its Common Shares. For the foreseeable future it is anticipated that any earnings generated from the Company's business will be used to finance the growth of the Company and will not be paid out as dividends to BioTime shareholders.

The Price of BioTime Stock May Rise and Fall Rapidly

BioTime Common Shares are traded on the American Stock Exchange. The market price of the Common Shares, like that of the common stock of many biotechnology companies, has been highly volatile. The price of BioTime shares may rise rapidly in response to certain events, such as the commencement of clinical trials of an experimental new drug, even though the outcome of those trials and the likelihood of ultimate FDA approval remains uncertain. Similarly, prices of BioTime shares may fall rapidly in response to certain events such as unfavorable results of clinical trials or a delay or failure to obtain FDA approval. The failure of the Company's earnings to meet analysts' expectations could result in a significant rapid decline in the market price of the Company's shares. In addition, the stock market has experienced and continues to experience extreme price and volume fluctuations which have affected the market price of the equity securities of many biotechnology companies and which have often been unrelated to the operating performance of these companies. Such broad market fluctuations, as well as general economic and political conditions, may adversely affect the market price of BioTime Common Shares.

Item 2. Facilities.

The Company occupies its office and laboratory facility in Berkeley, California under a lease that will expire on March 31, 2004. The Company presently occupies approximately 8,200 square feet of space and pays rent in the amount of $10,000 per month. The rent will increase annually by the greater of 3% and the increase in the local consumer price index, subject to a maximum annual increase of 7%. The Company also pays all charges for utilities and garbage collection.

The Company has an option to extend the term of the lease for a period of three years, and to terminate the lease early upon six months notice after September 30, 2000.

The Company uses, on a fee per use basis, facilities for surgical research on animals at an unaffiliated privately run research center located in Winters, California. Contracting for the use of research facilities has enabled the Company to initiate its research projects without the substantial capital cost, overhead costs and delay associated with the acquisition and maintenance of a modern animal surgical research facility.

Item 3. Legal Proceedings.

The Company is not presently involved in any material litigation or proceedings, and to the Company's knowledge no such litigation or proceedings are contemplated.

Item 4. Submission of Matters to a Vote of Security Holders.

Not Applicable.

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The Company's Common Shares have been trading on the American Stock Exchange since August 31, 1999, and traded on the Nasdaq National Market from April 28, 1998 to August 30,1999, and on the Nasdaq SmallCap Market from March 5, 1992 through April 27, 1998. The closing price of the Company's Common Shares on AMEX on March 20, 2000 was $14.19.

The following table sets forth the range of high and low bid prices for the Common Shares for the fiscal years ended June 30, 1997 and 1998 and the fiscal years ended December 31, 1998 (six months) and December 31, 1999, based on transaction data as reported by Nasdaq and AMEX. All prices have been adjusted to give effect to the Company's payment of a stock dividend during October 1997 to effect a three-for-one stock split.

Quarter Ended	High	Low
March 31, 1997	13.20	8.08
June 30, 1997	12.33	7.58
September 30, 1997	17.08	8.67
December 31, 1997	27.00	18.50
March 31, 1998	19.75	11.00
June 30, 1998	14.37	5.81
September 30, 1998	9.88	5.50
December 31, 1998	18.13	7.00
March 31, 1999	19.38	12.88
June 30, 1999	21.50	8.63
September 30, 1999	16.69	8.13
December 31, 1999	13.25	8.19

As of March 17, 2000, there were 298 shareholders of record of the Common Shares based upon information from the Registrar and Transfer Agent.

The Company has paid no dividends on its Common Shares since its inception and does not plan to pay dividends on its Common Shares in the foreseeable future.

Item 6. Selected Financial Data.

The selected financial data as of December 31, 1999 and 1998, June 30, 1998, 1997, 1996, and 1995 and the period from inception (November 30, 1990) to December 31, 1999 presented below have been derived from the audited financial statements of the Company. The selected financial data should be read in conjunction with the Company's financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere.

Statement of Operations Data:

	Year Ended December 31, 1999	Six Months Ended December 31, 1998	June 30, 1998	June 30, 1997	June 30, 1996	June 30, 1995	Period from Inception (November 30, 1990) December 31, 1999
REVENUE:							
Licensing Fee	$ 1,037,500	$ 250,000	$ 1,150,000	$ 62,500	$ --	$ --	$ 2,500,000
EXPENSES:							
Research and development	$ (4,900,521)	$ (1,723,860)	$(3,048,775)	$ (2,136,325)	$(1,142,168)	$(1,791,698)	$ (16,582,509)
General and administrative	(1,896,690)	(710,131)	(1,849,312)	(1,209,546)	(954,049)	(808,432)	(9,686,454)
Total expenses	(6,797,211)	(2,433,991)	(4,898,087)	(3,345,871)	(2,096,217)	(2,600,130)	(26,268,963)
INTEREST AND OTHER INCOME:	279,827	89,513	294,741	189,161	130,882	222,383	1,582,574
NET LOSS	$ (5,479,884)	$ (2,094,478)	$(3,453,346)	$ (3,094,210)	$(1,965,335)	$ (2,337,747)	$ (22,186,389)
BASIC AND DILUTED NET LOSS PER SHARE	$ (0.51)	$ (0.21)	$ (0.35)	$ (0.35)	$ (0.25)	$ (0.30)	
COMMON AND EQUIVALENT SHARES USED IN COMPUTING PER SHARE AMOUNTS	10,688,100	10,008,468	9,833,156	8,877,024	7,827,732	7,900,392	

Balance Sheet Data:

	December 31, 1999	December 31,1998	June 30, 1998
Cash, cash equivalents and short term investments	$5,292,806	$2,429,014	$4,105,781
Working Capital	4,804,579	2,157,578	3,724,663
Total assets	5,678,644	2,809,455	4,641,780
Shareholders' equity	5,083,132	2,384,752	4,014,750

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

Since its inception in November 1990, the Company has been engaged primarily in research and development activities. The Company has not yet generated significant operating revenues, and as of December 31, 1999 the Company had incurred a cumulative net loss of $22,186,389. The Company's ability to generate substantial operating revenue depends upon its success in developing and marketing or licensing its plasma volume expanders and organ preservation solutions and technology for medical use.

Most of the Company's research and development efforts have been devoted to the development of the Company's first three blood volume replacement products: Hextend, PentaLyte, and HetaCool. By testing and bringing all three products to the market, BioTime can increase its market share by providing the medical community with solutions to match patients' needs.

The Company's first product, Hextend(R), is a physiologically balanced blood plasma volume expander, for the treatment of hypovolemia. Hypovolemia is a condition often associated with blood loss during surgery or from injury. Hextend maintains circulatory system fluid volume and oncotic pressure and keeps vital organs perfused during surgery. Hextend, approved for large-volume use in major surgery, is the only blood plasma volume expander that contains hetastarch, buffer, multiple electrolytes and glucose. Hextend is designed to compete with and to replace flawed older products such as albumin and other colloid solutions, as well as crystalloid solutions, that have been used to maintain fluid volume and blood pressure during surgery. Hextend is also completely sterile to avoid risk of infection. Health insurance reimbursements and HMO coverage now include the cost of Hextend used in surgical procedures.

Hextend is being sold in the United States by Abbott Laboratories under an exclusive license from the Company. Abbott also has the right to sell Hextend in Canada, where an application for marketing approval is pending. BioTime has retained all rights to manufacture, sell or license Hextend and other products in all other countries. Abbott also has a right to obtain licenses to manufacture and sell other BioTime products. See "Licensing" for more information about the license granted to Abbott Laboratories.

Because Hextend is a surgical product, sales will be determined by anesthesiologists, surgeons and hospital pharmacists. Abbott's marketing program for Hextend includes, in addition to advertisements in medical journals, educational presentations for its sales force and physicians explaining the various benefits of using Hextend. Abbott is also working with hospitals to have Hextend approved for use and added to hospital formularies.

As part of the marketing program, Abbott and the Company will finance a number of limited medical studies comparing outcomes of patients receiving Hextend and patients receiving other

products during surgery and comparing the relative cost of using Hextend compared to other products. It will take time to complete these studies and publish the results. The outcome of the planned medical studies and timing of the publication of the results could have an effect on the growth of demand for Hextend and sales by Abbott.

To facilitate product acceptance, substantial quantities of Hextend were introduced into hospitals at no charge. While this may cause a delay in revenues from product sales, it is often effective in obtaining market penetration.

Under its License Agreement with the Company, Abbott will report sales of Hextend and pay the Company the royalties and license fees due on account of such sales within 90 days after the end of each calendar quarter. The Company will recognize such revenues in the quarter in which the sales report is received, rather than the quarter in which the sales took place. Revenues for the year ended December 31, 1999 include royalties on sales made by Abbott during the three months ended September 30, 1999. Royalties on sales made during the fourth quarter of 1999 will not be recognized by the Company until the first quarter of fiscal year 2000. Royalties for both periods were not material to BioTime's financial results.

Abbott initiated a more active phase of the marketing program for Hextend in the fourth quarter of 1999, and has continued such activity in the first quarter 2000. In this regard, the first major marketing presentation of Hextend at a medical conference occurred during October 1999. Abbott's current advertising campaign began during January 2000. The new Hextend advertising campaign features high quality, multi-color, multi-page print spreads that focus on the physiological basis of using a plasma-like substance to replace lost blood volume, and stress the ability of Hextend to support vital physiological processes at high volume use. The target customer base of the advertising campaign has recently been expanded by directing advertising in medical journals, medical conferences and sales calls to a broad array of medical specialists. The potential favorable impact of these expanded marketing activities may not be felt for several months, and are not reflected in royalties payable to BioTime with respect to the 1999 periods.

The Company estimates that Hextend has now been successfully used in several thousand patients undergoing surgery at over 300 hospitals. The number of hospitals in which Hextend is being used, the number of hospital formularies that have approved Hextend, and the number of patients receiving Hextend, is growing.

The Company intends to enter global markets through licensing agreements with overseas pharmaceutical companies. By licensing its products abroad, the Company will avoid the capital costs and delays inherent in acquiring or establishing its own pharmaceutical manufacturing facilities and establishing an international marketing organization. A number of pharmaceutical companies in Europe, Asia and other markets around the world have expressed their interest in obtaining licenses to manufacture and market the Company's products. The Company is continuing to meet with representatives of interested companies and is approaching agreement to license its products in certain parts of the world. In addition, the Company is discussing an arrangement with a leading producer of the hydroxyethyl starch used in Hextend through which the Company would obtain a source of supply of that ingredient and assistance in regulatory matters for approval of Hextend for the European market.

The Company is also pursuing a global clinical trial strategy, the goal of which is to permit the Company to obtain regulatory approval for its products as quickly and economically as practicable. For example, the United States Phase III clinical trials of Hextend involved 120 patients and were completed in less than 12 months. Although regulatory requirements vary from country to country, the Company may be able to file applications for foreign regulatory approval of its products based upon the results of the United States clinical trials. The Company's application to market Hextend in Canada had been found acceptable for review as a New Drug Submission by the Canadian Health Protection Branch (HPB), and the Company is now awaiting completion of HPB's review of that application. Regulatory approvals for countries that are members of the European Union may be obtained through a mutual recognition process. The Company has determined that several member nations would accept an application based upon the United States clinical trials. If approvals based upon those trials can be obtained in the requisite number of member nations, then the Company would be permitted to market Hextend in all 16 member nations.

In order to commence clinical trials for regulatory approval of new products, such as PentaLyte and HetaCool, or new therapeutic uses of Hextend, it will be necessary for the Company to prepare and file with the FDA an Investigational New Drug Application ("IND") or an amendment to expand the present IND for additional Hextend studies. Filings with foreign regulatory agencies will be required to commence clinical trials overseas.

In addition to developing clinical trial programs, the Company plans to continue to provide funding for its laboratory testing programs at selected universities, medical schools and hospitals for the purpose of developing additional uses of Hextend, PentaLyte, HetaCool, and other new products, but the amount of research that will be conducted at those institutions will depend upon the Company's financial status. Because the Company's research and development expenses, clinical trial expenses, and production and marketing expenses will be charged against earnings for financial reporting purposes, management expects that losses from operations will continue to be incurred for the foreseeable future.

Change of Fiscal Year

In November 1998, the Board of Directors approved a change to the Company's operating fiscal year from a fiscal year ending June 30 to a fiscal year ending December 31, beginning January 1, 1999. See Note 1 of Notes to Financial Statements. Accordingly, the accompanying financial statements are for the twelve months ended December 31, 1999, the six months ended December 31, 1998, the twelve months ended June 30, 1998 ("Fiscal 1998"), and the twelve months ended June 30, 1997 ("Fiscal 1997").

Results of Operations

Year Ended December 31, 1999 and Six Months Ended December 31, 1998

The Company recognized $1,037,500 of license fees for the year ended December 31, 1999, and $250,000 during the six month period ended December 31, 1998. The $1,037,500 includes $850,000 for achieving the final milestones under its license agreement with Abbott. The remaining $187,500 of license fee represents the deferred portion of the license fee payment received for signing of the License Agreement signed in 1997. For the year ended December 31, 1999, interest and other income was $279,827, and for the six month period ended December 31, 1998, interest and other income was $89,513.

Research and development expenses were $4,900,521 for the year ended December 31, 1999, and $1,723,860 for the six month period ended December 31, 1998. Research and development expenses include laboratory study expenses, European clinical trial expenses, salaries, preparation of additional regulatory applications in the United States and Europe, manufacturing of solution for trials, and consultants' fees. It is expected that research and development expenses will increase as the Company commences new clinical studies of its products in the United States and Europe.

General and administrative expenses were $1,896,690 for the year ended December 31, 1999, and were $710,131 for the six month period ended December 31, 1998. General and administrative expenses include salaries, consultants' fees, and general operating expenses.

Years Ended June 30, 1998 and June 30, 1997

During Fiscal 1997, the Company received $1,400,000 for signing the Abbott License Agreement and achieving a license fee milestone pertaining to the allowance of certain patent claims pending. During Fiscal 1998, the Company received an additional milestone fee of $250,000 for filing its NDA for Hextend. The Company deferred recognition of a portion of the license fee payment received for signing of the License Agreement ($1,000,000). The Company recognized $62,500 of license fee revenue during Fiscal 1997, and $1,150,000 during Fiscal 1998. Interest and other income increased to $294,741 for Fiscal 1998 from $189,161 for Fiscal 1997. The increase in interest and other income is attributable to the increase in cash and cash equivalents from the Company's sale of Common Shares through a subscription rights offering that was completed during February 1997.

Research and development expenses increased to $3,048,775 for Fiscal 1998, from $2,136,325 for Fiscal 1997. The increase in research and development expenses is attributable to the cost of preparing and filing an NDA for Hextend, and preparing for future regulatory filings in Europe and Canada. Research and development expenses increased to $2,136,325 for Fiscal 1997, from $1,142,168 for Fiscal 1996. The increase in research and development expenses was attributable to the Company's Phase III human clinical trials of Hextend, initiation of a clinical trial

at Middlesex Hospital in London, England, and an accrual for bonuses granted after June 30, 1997. It is expected that research and development expenses will increase as the Company continues clinical testing of Hextend and commences clinical studies of other products.

General and administrative expenses increased to $1,849,312 for Fiscal 1998, from $1,209,546 for Fiscal 1997. This increase is attributable to an increase in the general operations of the Company, an increase in personnel, and bonus awards. General and administrative expenses increased to $1,209,546 for Fiscal 1997. This increase was attributable to an amortization expense associated with agreements the Company entered into with certain financial advisors and consultants in exchange for warrants to purchase the Company's stock, an increase in the general operations of the Company, an increase in personnel, and bonus awards.

Taxes

At December 31, 1999, the Company had a cumulative net operating loss carryforward of approximately $23,000,000 for federal income tax purposes.

Liquidity and Capital Resources

Since inception, the Company has primarily financed its operations through the sale of equity securities and licensing fees, and at December 31, 1999 the Company had cash and cash equivalents of $5,292,800. The Company expects that its cash on hand will be sufficient to finance its operations for the next 12 months, but will curtail the pace of its product development efforts unless its cash resources increase through a growth in revenues or additional equity investment. Accordingly, additional funds are required for the successful completion of the Company's product development activities. The Company has not received significant royalties and licensing fees from the sale of Hextend. Although the Company will continue to seek licensing fees from pharmaceutical companies for licenses to manufacture and market the Company's products abroad, additional sales of equity or debt securities may be required to meet the Company's short-term capital needs. Sales of additional equity securities could result in the dilution of the interests of present shareholders.

The amount of license fees and royalties that may be earned through the licensing and sale of the Company's products, as well as the future availability and terms of equity and debt financings, are uncertain. The unavailability or inadequacy of financing or revenues to meet future capital needs could force the Company to modify, curtail, delay or suspend some or all aspects of its planned operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company did not hold any market risk sensitive instruments as of December 31, 1999, December 31, 1998, June 30, 1998 or June 30, 1997.

Item 8. Financial Statements and Supplementary Data

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
BioTime, Inc.:

We have audited the accompanying balance sheets of BioTime, Inc. (a development stage company) as of December 31, 1999 and December 31, 1998, and the related statements of operations, shareholders' equity and cash flows for the year ended December 31, 1999, the six months ended December 31, 1998, each of the two years in the period ended June 30, 1998, and the period from November 30, 1990 (inception) to December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of BioTime, Inc. as of December 31, 1999 and December 31, 1998, and the results of its operations and its cash flows for the year ended December 31, 1999, the six months ended December 31, 1998, each of the two years in the period ended June 30, 1998 and the period from November 30, 1990 (inception) to December 31, 1999, in conformity with generally accepted accounting principles.

The Company is in the development stage as of December 31, 1999. As discussed in Note 1 to the financial statements, successful completion of the Company's product development program and ultimately the attainment of profitable operations is dependent upon future events, including maintaining adequate financing to fulfill its development activities, obtaining regulatory approval for products ultimately developed, and achieving a level of revenues adequate to support the Company's cost structure.

/s/ DELOITTE & TOUCHE LLP
San Francisco, California
February 10, 2000

BIOTIME, INC.
(A Development Stage Company)

BALANCE SHEETS

ASSETS	December 31, 1999	December 31, 1998
CURRENT ASSETS		
Cash and cash equivalents	$ 5,292,806	$ 2,429,014
Prepaid expenses and other current assets	107,285	153,267
Total current assets	5,400,091	2,582,281
EQUIPMENT, Net of accumulated depreciation of $276,647 and $217,107	268,653	166,474
DEPOSITS AND OTHER ASSETS	9,900	60,700
TOTAL ASSETS	$ 5,678,644	2,809,455
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 595,512	$ 237,203
Deferred revenue - current portion	--	187,500
Total current liabilities	595,512	424,703
COMMITMENTS (Note 6)		
SHAREHOLDERS' EQUITY:		
Preferred Shares, no par value, undesignated as to Series, authorized 1,000,000 shares; none outstanding in 1999 and 1998 (Note 4)		
Common Shares, no par value, authorized 40,000,000 shares; issued and outstanding shares; 10,891,031in 1999 and 10,033,079 in 1998 (Note 4)	27,200,380	19,022,116
Contributed Capital	93,972	93,972
Deficit accumulated during development stage	(22,211,220)	(16,731,336)
Total shareholders' equity	5,083,132	2,384,752
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 5,678,644	$ 2,809,455

See notes to financial statements.

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF OPERATIONS

	Year Ended December 31, 1999	Six Months Ended December 31, 1998	Year Ended June 30, 1998	Year Ended June 30, 1997	Period from Inception (November 30, 1990) to December 31, 1999
REVENUE:					
License fee	$ 1,037,500	$ 250,000	$ 1,150,000	$ 62,500	$ 2,500,000
EXPENSES:					
Research and development	(4,900,521)	(1,723,860)	(3,048,775)	(2,136,325)	(16,582,509)
General and administrative	(1,896,690)	(710,131)	(1,849,312)	(1,209,546)	(9,686,454)
Total expenses	(6,797,211)	(2,433,991)	(4,898,087)	(3,345,871)	(26,268,963)
INTEREST AND OTHER INCOME:	279,827	89,513	294,741	189,161	1,582,574
NET LOSS	$(5,479,884)	$(2,094,478	$(3,453,346)	$(3,094,210)	$ (22,186,389)
BASIC AND DILUTED LOSS PER SHARE	$ (0.51)	$ (0.21)	$ (0.35)	$ (0.35)	
COMMON AND EQUIVALENT SHARES USED IN COMPUTING PER SHARE AMOUNTS:					
BASIC AND DILUTED	10,688,100	10,008,468	9,833,156	8,877,024	

See notes to financial statements.

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF SHAREHOLDERS' EQUITY

	Series A Convertible Preferred Shares		Common Shares			Deficit Accumulated
	Number of Shares	Amount	Number of Shares	Amount	Contributed Capital	During Development Stage
BALANCE, November 30, 1990 (date of inception)	--	--	--	--	--	--
NOVEMBER 1990						
Common shares issued for cash			1,312,758	$ 263		
DECEMBER 1990:						
Common shares issued for stock of a separate entity at fair value			1,050,210	137,400		
Contributed equipment at appraised value					$ 16,425	
Contributed cash					77,547	
MAY 1991:						
Common shares issued for cash less offering costs			101,175	54,463		
Common shares issued for stock of a separate entity at fair value			100,020	60,000		
JULY 1991:						
Common shares issued for services performed			30,000	18,000		
AUGUST-DECEMBER 1991						
Preferred shares issued for cash less offering costs of $125,700	360,000	$474,300				
MARCH 1992:						
Common shares issued for cash less offering costs of $1,015,873			2,173,500	4,780,127		
Preferred shares converted into common shares	(360,000)	(474,300)	360,000	474,300		
Dividends declared and paid on preferred shares						$(24,831)
MARCH 1994:						
Common shares issued for cash less offering costs of $865,826			2,805,600	3,927,074		
JANUARY-JUNE 1995:						
Common shares repurchased with cash			(253,800)	(190,029)		
JULY 1995-JUNE 1996:						
Common shares issued for cash			608,697	1,229,670		
Common shares repurchased with cash			(18,600)	(12,693)		
Common shares warrants and options granted for services				356,000		
NET LOSS						(8,064,471)
BALANCE AT JUNE 30, 1996	--	$ --	8,269,560	10,834,575	93,972	(8,089,302)

See notes to financial statements.

(Continued)

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF SHAREHOLDERS' EQUITY

(Continued)	Series A Convertible Preferred Shares		Common Shares			Deficit Accumulated During
	Number of Shares	Amount	Number of Shares	Amount	Contributed Capital	Development Stage
Common shares issued for cash less offering costs of $170,597			849,327	5,491,583		
Common shares issued for cash (exercise of options and warrants)			490,689	1,194,488		
Common shares warrants and options granted for service				105,000		
NET LOSS						(3,094,210)
BALANCE AT JUNE 30, 1997	--	$ --	9,609,576	$17,625,646	$ 93,972	$ (11,183,512)
Common shares issued for cash (exercise of options)			337,500	887,690		
Common shares warrants and options granted for service				38,050		
Common shares issued for services			500	6,250		
NET LOSS						(3,453,346)
BALANCE AT JUNE 30,1998	--	--	9,947,576	$18,557,636	$ 93,972	$ (14,636,858)
Common shares issued for cash (exercise of options and warrants)			84,000	395,730		
Common shares options granted for services				50,000		
Common shares issued for services			1,500	18,750		
NET LOSS						(2,094,478)
BALANCE AT DECEMBER 31, 1998	--	$ --	10,033,076	$19,022,116	$ 93,972	$ (16,731,336)
Common shares issued for cash (less offering costs of $128,024)			751,654	7,200,602		
Common shares issued for cash and exchange for 2,491 common shares which were canceled (exercise of options)			65,509	199,810		
Common shares issued for services			792	9,900		
Common shares warrant donated (Note 4)				552,000		
Common shares issued for cash (exercise of warrant)			40,000	20,000		
Options granted for services				195,952		
NET LOSS						(5,479,884)
BALANCE AT DECEMBER 31, 1999	--	$ --	10,891,031	$27,200,380	$ 93,972	$ (22,211,220)

See notes to financial statements. (Concluded)

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF CASH FLOWS

	Year Ended December 31, 1999	Six Months December 31, 1998	Year Ended June 30 1998	1997	Period from Inception (November 30, 1990) to December 31, 1999
OPERATING ACTIVITIES:					
Net loss	$ (5,479,884)	$ (2,094,478)	$(3,453,346)	$ (3,094,210)	$ (22,186,389)
Adjustments to reconcile net loss to net cash operating activities:					
Deferred revenue	(187,500)	(250,000)	(500,000)	(62,500)	(1,000,000)
Depreciation	59,540	28,582	49,284	41,023	276,647
Cost of Donation - warrants	552,000				552,000
Cost of services - shares, options and warrants	220,574	78,750	44,300	240,821	797,902
Supply reserves			100,000	100,000	200,000
Changes in operating assets and liabilities:					
Research and development supplies on hand					(200,000)
Prepaid expenses and other current assets	31,260	87,367	13,197	(180,837)	(107,285)
Deposits and other assets	50,800	34,000	(65,000)	(24,722)	(9,900)
Accounts payable	358,309	47,673	(59,638)	119,939	595,512
Accrued compensation			(175,000)	175,000	--
Deferred revenue			(400,000)	1,400,000	1,000,000
Net cash used in operating activities	(4,394,901)	(2,068,106)	(4,446,203)	(1,285,486)	(20,081,513)
INVESTING ACTIVITIES:					
Sale of investments					197,400
Purchase of short-term investments					(9,946,203)
Redemption of short-term investments					9,946,203
Purchase of equipment and furniture	(161,719)	(4,391)	(147,340)	(32,072)	(528,875)
Net cash used in investing activities	(161,719)	(4,391)	(147,340)	(32,072)	(331,475)
FINANCING ACTIVITIES:					
Issuance of preferred shares for cash					600,000
Preferred shares placement costs					(125,700)
Issuance of common shares for cash	7,328,626			5,662,180	23,701,732
Common shares placement costs	(128,024)			(170,597)	(2,180,320)
Net proceeds from exercise of common share options and warrants	219,810	395,730	887,690	1,194,488	3,860,088
Contributed capital - cash					77,547
Dividends paid on preferred shares					(24,831)
Repurchase of common shares					(202,722)
Net cash provided by financing activities	7,420,412	395,730	887,690	6,686,071	25,705,794
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,863,792	(1,676,767)	(3,705,853)	5,368,513	5,292,806
CASH AND CASH EQUIVALENTS:					
At beginning of period	2,429,014	4,105,781	7,811,634	2,443,121	--
At end of period	5,292,806	$ 2,429,014	$ 4,105,7$1	$ 7,811,634	5,292,806

See notes to financial statements.

(Continued)

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF CASH FLOWS

	Year Ended December 31, 1999	Six Months December 31, 1998	Year Ended June 30 1998	Year Ended June 30 1997	Period from Inception (November 30, 1990) to December 31, 1999
NONCASH FINANCING AND INVESTING ACTIVITIES:					
Receipt of contributed equipment					$ 16,425
Issuance of common shares in exchange for shares of common stock of Cryomedical Sciences, Inc. in a stock-for-stock transaction					$ 197,400
Granting of options and warrants for services	$ 195,952	$ 50,000	$ 38,050	$ 105,000	$ 762,002
Issuance of common shares in exchange for services	$ 9,900	$ 18,750	$ 6,250		$ 34,900

See notes to financial statements. (Concluded)

BIOTIME, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

1. GENERAL AND DEVELOPMENT STAGE ENTERPRISE

General - BioTime, Inc. (the Company) was organized November 30, 1990 as a California corporation. The Company is a biomedical organization, currently in the development stage, which is engaged in the research and development of synthetic plasma expanders, blood volume substitute solutions, and organ preservation solutions, for use in surgery, trauma care, organ transplant procedures, and other areas of medicine.

Certain Significant Risks and Uncertainties - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such management estimates include certain accruals. Actual results could differ from those estimates.

The Company's operations are subject to a number of factors that can affect its operating results and financial condition. Such factors include but are not limited to the following: the results of clinical trials of the Company's products; the Company's ability to obtain United States Food and Drug Administration and foreign regulatory approval to market its products; competition from products manufactured and sold or being developed by other companies; the price of and demand for any Company products that are ultimately sold; the Company's ability to obtain additional financing and the terms of any such financing that may be obtained; the Company's ability to negotiate favorable licensing or other manufacturing and marketing agreements for its products; the availability of ingredients used in the Company's products; and the availability of reimbursement for the cost of the Company's products (and related treatment) from government health administration authorities, private health coverage insurers and other organizations.

Development Stage Enterprise - Since inception, the Company has been engaged in research and development activities in connection with the development of synthetic plasma expanders, blood volume substitute solutions and organ preservation products. The Company has limited operating revenues and has incurred operating losses of $22,186,389 from inception to December 31, 1999. The successful completion of the Company's product development program and, ultimately, achieving profitable operations is dependent upon future events including maintaining adequate capital to finance its future development activities, obtaining regulatory approvals for the products it develops and achieving a level of revenues adequate to support the Company's cost structure.

2. SIGNIFICANT ACCOUNTING POLICIES

Change in fiscal year - On November 12, 1998, the Board of Directors of BioTime determined that it would be in the best interests of the Company and its shareholders to change the Company's fiscal year from one ending on June 30 to one ending on December 31 and, accordingly, the Company adopted a December 31 or calendar year-end beginning on January 1, 1999. Accordingly, the accompanying statements of operations, shareholders' equity and cash flows include the transition fiscal period for the six months from July 1, 1998 to December 31, 1998.

Equipment is stated at cost or, in the case of donated equipment, at fair market value. Equipment is being depreciated using the straight-line method over a period of thirty-six to eighty-four months.

Patent costs associated with obtaining patents on products being developed are expensed as research and development expenses when incurred. These costs totaled $160,221 for the year ended December 31, 1999, $47,781 for the six month period ended December 31, 1998, $81,303 and $95,362 for the years ended June 30, 1998 and 1997, respectively, and cumulatively, $661,284 for the period from inception (November 30, 1990) to December 31, 1999.

Revenue recognition - License revenue is recognized ratably over the development period of the Hextend product which was originally determined to be two years. Milestone payments are recognized as revenue when milestones have been achieved. Royalty and license fees related to sales of a certain blood plasma volume expander product are generally recognized in the quarter subsequent to the quarter in which the related sales occur and upon receipt of a sales report from the third-party manufacturer/distributor of the product (see note 3).

Research and development costs are expensed when incurred and consist principally of salaries, payroll taxes, research and laboratory fees, hospital and consultant fees related to the clinical trials, and the Company's PentaLyte solution for use in human clinical trials.

Stock-based compensation - The Company accounts for stock-based awards to employees using the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees.

Stock split - In October 1997, the Company effected a three-for-one split of its common shares. All share and per share amounts have been restated to reflect the stock split for all periods presented.

Net loss per share - Basic earnings (loss) per share excludes dilution and is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects the potential dilution from securities and other contracts which are exercisable or convertible into common shares. Diluted earnings (loss) per

share for the year ended December 31, 1999, the six months ended December 31, 1998 and the years ended June 30, 1998 and 1997 exclude any effect from such securities as their inclusion would be antidilutive. As a result, there is no difference between basic and diluted calculations of loss per share for all periods presented.

Comprehensive Income (Loss) - Comprehensive income (loss) includes the changes in net assets during the period from nonowner sources reported by major components and as a single total. Comprehensive income (loss) was the same as net loss for all periods presented. The Company's comprehensive income (loss) was the same as net loss.

Segment information - The Company operates in the single segment of producing aqueous based synthetic solutions used in medical applications and is currently in the development stage of this segment.

Recently issued accounting standards - In June 1998, the Financial Accounting Standards Board issued Statement of Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," (SFAS 133) which establishes accounting and reporting standards for derivative instruments and for hedging activities. SFAS 133 requires that entities recognize all derivatives as either assets or liabilities and measure those instruments at fair value. Adoption of this statement will not impact the Company's financial position, results of operations or cash flows. The Company is currently required to adopt SFAS 133 in the first quarter of the fiscal year ending December 31, 2001.

3. LICENSE AGREEMENT

In April 1997, BioTime and Abbott Laboratories ("Abbott") entered into an Exclusive License Agreement (the "License Agreement") under which BioTime granted to Abbott an exclusive license to manufacture and sell BioTime's proprietary blood plasma volume expander solution Hextend in the United States and Canada for certain therapeutic uses.

Under the License Agreement, Abbott has agreed to pay the Company license fees based upon achievement of specified milestones and product sales. As of December 31, 1999, $2,500,000 of the license fees for the achievement of milestones has been earned and paid. Up to $37,500,000 of additional license fees will be payable based upon annual net sales of Hextend at the rate of 10% of annual net sales if annual net sales exceed $30,000,000 or 5% if annual net sales are between $15,000,000 and $30,000,000. Abbott's obligation to pay license fees on sales of Hextend will expire on the earlier of January 1, 2007 or, on a country by country basis, when all patents protecting Hextend in the applicable country expire or any third party obtains certain regulatory approvals to market a generic equivalent product in that country.

In addition to the license fees, Abbott will pay the Company a royalty on annual net sales of Hextend. The royalty rate will be 5% plus an additional .22% for each increment of $1,000,000

of annual net sales, up to a maximum royalty rate of 36%. Abbott's obligation to pay royalties on sales of Hextend will expire in the United States or Canada when all patents protecting Hextend in the applicable country expire and any third party obtains certain regulatory approvals to market a generic equivalent product in that country.

Abbott has agreed that the Company may convert Abbott's exclusive license to a non-exclusive license or may terminate the license outright if certain minimum sales and royalty payments are not met. In order to terminate the license outright, BioTime would pay a termination fee in an amount ranging from the milestone payments made by Abbott to an amount equal to three times prior year net sales, depending upon when termination occurs. Management believes that the probability of payments of any termination fee by the Company is remote.

4. SHAREHOLDERS' EQUITY

During June 1994, the Board of Directors authorized management to repurchase up to 200,000 of the Company's common shares at market price at the time of purchase. A total of 90,800 shares have been repurchased and retired. No shares have been repurchased since August 28, 1995.

During September 1995, the Company entered into an agreement for financial advisory services with Greenbelt Corp., a corporation controlled by Alfred D. Kingsley and Gary K. Duberstein, who are also shareholders of the Company. Under the agreement, the Company issued to the financial advisor warrants to purchase 311,276 common shares at a price of $1.93 per share, and the Company agreed to issue additional warrants to purchase up to an additional 622,549 common shares at a price equal to the greater of (a) 150% of the average market price of the common shares during the three months prior to issuance and (b) $2 per share. The additional warrants were issued in equal quarterly installments over a two year period, beginning October 15, 1995. The exercise price and number of common shares for which the warrants may be exercised are subject to adjustment to prevent dilution in the event of a stock split, combination, stock dividend, reclassification of shares, sale of assets, merger or similar transaction. The warrants are exercisable at the following prices: 466,912 at $1.93 per share; 77,818 at $2.35 per share;77,818 at $9.65 per share; 77,818 at $9.42 per share; 77,818 at $10.49 per share; 77,818 at $15.74 per share; and 77,818 at $13.75 per share. The total value of these warrants at the agreement date, estimated to be $300,000, was capitalized in fiscal 1996 and was amortized over the two year term of the agreement.

During September 1996, the Company entered into an agreement with an individual to act as an advisor to the Company. In exchange for services, as defined, to be rendered by the advisor through September 1999, the Company issued warrants, with five year terms, to purchase 124,510 common shares at a price of $6.02 per share. The exercise price and number of common shares for which the warrants may be exercised are subject to adjustment to prevent dilution in the event of a stock split, combination, stock dividend, reclassification of shares, sale of assets, merger or similar transaction. Warrants for 77,775 common shares vested and became

exercisable and transferable when issued; warrants for the remaining 46,735 common shares vested ratably through September 1997 and became exercisable and transferable as vesting occurred. The estimated value of the services to be performed is $60,000 and that amount has been capitalized and is being amortized over the three year term of the agreement.

On February 5, 1997, the Company completed a subscription rights offering raising $5,662,180, through the sale of 849,327 common shares.

During April 1998, the Company entered into a new financial advisory services agreement with Greenbelt Corp. The agreement provides for an initial payment of $90,000 followed by an advisory fee of $15,000 per month that will be paid quarterly. The agreement will expire on March 31, 2000, but either party may terminate the agreement earlier upon 30 days prior written notice.

On March 9, 1999, the Company completed a subscription rights offering raising $7,328,626, through the sale of 751,654 common shares.

On July 15, 1999, the Company established the "BioTime Endowment for the Study of Aging and Low-Temperature Medicine" (the "Endowment") at the University of California at Berkeley. The endowment will support the research activities of faculty and researchers in the areas of aging and low temperature medicine. The initial term of the Endowment shall be for ten years, and upon review, renewed every five years thereafter. The Company funded the Endowment with $65,000 in cash and a warrant to the University to purchase 40,000 of the Company's common shares for $0.50 per share. On September 23, 1999, the University of California at Berkeley exercised its warrant for 40,000 shares. The fair value of the warrant, estimated to be approximately $552,000, was recognized in research and development expenses during the quarter.

5. STOCK OPTION PLAN

The Board of Directors of the Company adopted the 1992 Stock Option Plan (the "Plan") during September 1992. The Plan was approved by the shareholders at the 1992 Annual Meeting of Shareholders on December 1, 1992. Under the Plan, as amended, the Company has reserved 1,800,000 common shares for issuance under options granted to eligible persons. No options may be granted under the Plan more than ten years after the date the Plan was adopted by the Board of Directors, and no options granted under the Plan may be exercised after the expiration of ten years from the date of grant.

Under the Plan, options to purchase common shares may be granted to employees, directors and certain consultants at prices not less than the fair market value at date of grant for incentive stock options and not less than 85% of fair market value for other stock options. These options expire five to ten years from the date of grant and may be fully exercisable immediately, or may be exercisable according to a schedule or conditions specified by the Board of Directors or the

Option Committee. During the two years ended June 30, 1998 and 1997, employees, including directors, were granted options to purchase 17,500 and 123,000 common shares, respectively, and non-employees were granted options to purchase 14,500 and 165,000 common shares respectively. During the six months ended December 31, 1998, no options were granted to employees or directors, and an option to purchase 20,000 shares was granted to a consultant. During the year ended December 31, 1999, employees, and directors were granted options to purchase 33,000 common shares, and non-employees were granted options to purchase 63,000 shares. Of the options granted to consultants, options to purchase 60,000 common shares vest upon achievement of certain milestones. The Company is amortizing into compensation the estimated fair value of such options ($450,845 at December 31, 1999), subject to remeasurement at the end of each reporting period, over the period estimated to achieve such milestones (one to two years). Compensation expense recognized on these options during the year ended December 31, 1999 was approximately $171,027. At December 31, 1999, 503,000 shares were available for future grants under the Option Plan.

Option activity under the Plan is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding, June 30, 1996 (537,000 exercisable at a weighted average price of $2.26)	690,000	2.01
Granted (weighted average fair value of $6.83 per share)	288,000	7.37
Exercised	138,000	2.37
Canceled	--	--
Outstanding, June 30, 1997 (678,000 exercisable at a weighted average price of $4.22)	840,000	3.78
Granted (weighted average fair value of $18.25 per share)	32,000	16.56
Exercised	337,500	2.63
Canceled	--	--
Outstanding, June 30, 1998 (411,500 exercisable at a weighted average price of $6.52)	534,500	5.28
Granted (weighted average fair value of $2.50 per share)	20,000	7.25
Exercised	84,000	4.71
Canceled	--	--

	Number of Shares	Weighted Average Exercise Price
Outstanding, December 31, 1998 (440,500 exercisable at a weighted average price of $5.76)	470,500	$ 5.46
Granted (weighted average fair value of $9.52 per share)	96,000	11.81
Exercised	68,000	12.65
Canceled	--	--
Outstanding, December 31, 1999	498,500	6.98

Additional information regarding options outstanding as of December 31, 1999 is as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Avg. Remaining Contractual Life (yrs)	Weighted Avg. Exercise Price	Number Exercisable	Weighted Avg. Exercise Price
$1.00-1.13	180,000	2.44	$1.09	180,000	$1.09
6.00-8.81	86,500	3.15	6.23	86,500	6.23
10.33-13.00	210,000	4.65	11.17	150,000	10.94
18.25	22,000	2.90	18.25	22,000	18.25
$1.0-$18.25	498,500	3.51	$6.98	438,500	$6.33

As discussed in Note 1, the Company continues to account for its employee stock-based awards using the intrinsic value method in accordance with Accounting Principles Board No. 25, Accounting for Stock Issued to Employees and its related interpretations. Accordingly, no compensation expense has been recognized in the financial statements for employee stock arrangements. Options to purchase 204,500 shares were outstanding to employees at December 31, 1999. Options granted to non-employees have been recognized in the financial statements at the estimated fair value of the services or benefit provided. Options to purchase 294,000 shares were outstanding to non-employees at December 31, 1999.

Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, (SFAS 123) requires the disclosure of pro forma net income and earnings per share had the Company adopted the fair value method as of the beginning of fiscal 1995. Under SFAS 123, the fair value of stock-based awards to employees is calculated through the use of

option pricing models, even though such models were developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differ from the Company's stock option awards. These models also require subjective assumptions, including future stock price volatility and expected time to exercise, which greatly affect the calculated values. The Company's calculations were made using the Black-Scholes option pricing model with the following weighted average assumptions: expected life, 24 - 60 months following vesting; stock volatility, 84.7%, 83.87%, and 95.00% for the year ended December 31, 1999, and the years ended June 30, 1998 and 1997, respectively; risk free interest rates, 5.99%, 5.64%, and 5.96%, for the year ended December 31, 1999, and the years ended June 30, 1998 and 1997, respectively; and no dividends during the expected term. The Company's calculations are based on a multiple option valuation approach and forfeitures are recognized as they occur. If the computed fair values for the year ended December 31, 1999 and the years ended June 30, 1998, 1997 awards had been amortized to expense over the vesting period of the awards, pro forma net loss would have been $5,760,878 ($0.54 per share) in 1999, $3,665,915 ($0.37 per share) in 1998, and $3,983,890 ($0.44 per share) in 1997. No employee options vested or were granted in the six months ended December 31, 1998. Therefore, pro forma net loss is the same as recorded net loss for the six months ended December 31, 1998. The impact of outstanding non-vested stock options granted prior to 1996 has been excluded from the pro forma calculation; accordingly, the year ended December 31, 1999, the six months ending December 31, 1998, and the years ended June 30, 1998, 1997 pro forma adjustments are not indicative of future period pro forma adjustments, when the calculation will apply to all applicable stock options.

6. COMMITMENTS AND CONTINGENCIES

The Company has employment agreements with six officers who are also shareholders, for five- year terms, five of which expire in June 2001 and one which expires in April 2002. All provide for base salaries with annual increases. The agreements also provide that in the event any of the officer's employment terminates, voluntarily or involuntarily, after a change in control of the Company through an acquisition of voting stock or assets, or a merger or consolidation with another corporation or entity, the executive officers will be entitled to severance payments equal to the greater of (a) 2.99 times the average annual compensation for the preceding five years or (b) the balance of the base salary for the unexpired portion of the term of the employment agreement. These officers/shareholders have signed intellectual property agreements with the Company as a condition of their employment.

The Company occupies its office and laboratory facility in Berkeley, California under a lease that will expire on March 31, 2004. The Company presently occupies approximately 8,200 square feet of space with a monthly rent of $10,000. The rent will increase annually by the greater of 3% and the increase in the local consumer price index, subject to a maximum annual increase of 7%. Rent expense totaled $91,796 for the year ended December 31, 1999, $32,694 for the six month period ending December 31, 1998, $62,990, and $59,376, for each of the two years ended June 30, 1998 and 1997, respectively; and cumulatively, $414,182 for the period from inception to December 31, 1999.

7. INCOME TAXES

The primary components of the net deferred tax asset are:

	Year Ended December 31, 1999	Six MonthsEnded December 31, 1998	Year Ended June 30, 1998
Deferred Tax Asset:			
NOL Carryforwards	$ 9,246,868	$ 7,256,851	$ 5,125,447
Research & Development Credits	788,920	622,516	444,398
Other, net	514,618	320,790	327,492
Total	10,550,406	8,200,157	5,897,337
Valuation allowance	(10,550,406)	(8,200,157)	(5,897,337)
Net deferred tax asset	$ -0-	$ -0-	$ -0-

No tax benefit has been recorded through December 31, 1999 because of the net operating losses incurred and a full valuation allowance provided. A valuation allowance is provided when it is more likely than not that some portion of the deferred tax asset will not be realized. The Company established a 100% valuation allowance at December 31, 1999, December 31, 1998 and June 30, 1998 due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets.

As of December 31, 1999, the Company has net operating loss carryforwards of approximately $23,000,000 for federal and $11,000,000 for state tax purposes, which begin to expire during fiscal years 2007 and 2000, respectively.

Internal Revenue Code Section 382 places a limitation (the "Section 382 Limitation") on the amount of taxable income which can be offset by net operating loss ("NOL") carryforwards after a change in control (generally greater than 50% change in ownership) of a loss corporation. California has similar rules. Generally, after a control change, a loss corporation cannot deduct NOL carryforwards in excess of the Section 382 Limitation. Due to these "change in ownership" provisions, utilization of the NOL and tax credit carryforwards may be subject to an annual limitation regarding their utilization against taxable income in future periods.

8. RELATED PARTY TRANSACTIONS

During the year ended December 31, 1999, the six months ended December 31, 1998 and the years ended June 30, 1998 and1997, fees for consulting services of $19,125, $15,649, $33,500, and $36,000, respectively, were paid to a member of the Board of Directors.

9. QUARTERLY RESULTS (UNAUDITED)

Summarized unaudited results of operations for each quarter of the year ended December 31, 1999, the six months ended December 31, 1998 and the fiscal year ended June 30, 1998, are as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Fiscal Year Ended December 31, 1999					
Revenue	$437,500	$600,000	--	--	$1,037,500
Net Loss	$786,939	$990,594	$2,254,588	$1,447,763	$5,479,884
Net Loss per share	$.08	$.09	$.21	$.14	$.51

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Six Months Ended December 31, 1998					
Revenue	$125,000	$125,000			$250,000
Net Loss	$1,137,742	$956,736			$2,094,478
Net Loss per share	$.11	$.10			$.21

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Fiscal Year Ended June 30, 1998					
Revenue	$125,000	$525,000	$125,000	$375,000	$1,150,000
Net Loss	$982,621	$637,177	$1,071,538	$762,010	$3,453,346
Net Loss per share	$.10	$.06	$.11	$.08	$.35

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Directors and Executive Officers

The names and ages of the directors and executive officers of the Company are as follows:

Paul Segall, Ph.D., 57, is the Chairman and Chief Executive Officer and has served as a director of the Company since 1990. Dr. Segall received a Ph.D. in Physiology from the University of California at Berkeley in 1977.

Ronald S. Barkin, 54, became President of BioTime during October 1997, after serving as Executive Vice President since April 1997. Mr. Barkin has been a director of the Company since 1990. Before becoming an executive officer of the Company, Mr. Barkin practiced civil and corporate law for more than 25 years after getting a J.D. from Boalt Hall, University of California at Berkeley.

Victoria Bellport, 34, is the Chief Financial Officer and Vice President and has been a director of the Company since 1990. Ms. Bellport received a B.A. in Biochemistry from the University of California at Berkeley in 1988.

Hal Sternberg, Ph.D., 46, is the Vice President of Research and has been a director of the Company since 1990. Dr. Sternberg was a visiting scientist and research Associate at the University of California at Berkeley from 1985-1988, where he supervised a team of researchers studying Alzheimer's Disease. Dr. Sternberg received his Ph.D. from the University of Maryland in Biochemistry in 1982.

Harold Waitz, Ph.D., 57, is the Vice President of Engineering and Regulatory Affairs and has been a director of the Company since 1990. He received his Ph.D. in Biophysics and Medical Physics from the University of California at Berkeley in 1983.

Judith Segall, 46, is the Vice President of Technology and Secretary, and has been a director of the Company from 1990 through 1994, and from 1995 through the present date. Ms. Segall received a B.S. in Nutrition and Clinical Dietetics from the University of California at Berkeley in 1989.

Jeffrey B. Nickel, Ph.D., 55, joined the Board of Directors of the Company during March 1997. Dr. Nickel is the President of Nickel Consulting through which he has served as a consultant to companies in the pharmaceutical and biotechnology industries since 1990. Prior to starting his consulting business, Dr. Nickel served in a number of management positions for Syntex Corporation and Merck & Company. Dr. Nickel received his Ph.D. in Organic Chemistry from Rutgers University in 1970.

Milton H. Dresner, 73, joined the Board of Directors of the Company during February 1998. Mr. Dresner is Co-Chairman of the Highland Companies, a diversified organization engaged in the

development and ownership of residential and industrial real estate. Mr. Dresner serves as a director of Avatar Holdings, Inc., a real estate development company, and Childtime Learning Centers, Inc. a child care and pre-school education services company.

Executive Officers

Paul Segall, Ronald S. Barkin, Victoria Bellport, Hal Sternberg, Harold Waitz and Judith Segall are the only executive officers of BioTime.

There are no family relationships among the directors or officers of the Company, except that Paul Segall and Judith Segall are husband and wife.

Directors' Meetings, Compensation and Committees of the Board

The Board of Directors has an Audit Committee, the members of which are Jeffrey Nickel and Milton Dresner. The purpose of the Audit Committee is to recommend the engagement of the corporation's independent auditors and to review their performance, the plan, scope and results of the audit, and the fees paid to the corporation's independent auditors. The Audit Committee also will review the Company's accounting and financial reporting procedures and controls and all transactions between the Company and its officers, directors, and shareholders who beneficially own 5% or more of the Common Shares.

The Company does not have a standing Nominating Committee. Nominees to the Board of Directors are selected by the entire Board.

The Board of Directors has a Stock Option Committee that administers the Company's 1992 Stock Option Plan and makes grants of options to key employees, consultants, scientific advisory board members and independent contractors of the Company, but not to officers or directors of the Company. The members of the Stock Option Committee are Paul Segall, Ronald S. Barkin, and Victoria Bellport. The Stock Option Committee was formed during September 1992.

During the fiscal year ended December 31, 1999, the Board of Directors met nine times. No director attended fewer than 75% of the meetings of the Board or any committee on which they served.

Directors of the Company who are not employees receive an annual fee of $20,000, which may be paid in cash or in Common Shares, at the election of the director. During the year ended December 31, 1999, each director who was not a Company employee also received options to purchase 10,000 Common Shares. Directors of the Company and members of committees of the Board of Directors who are employees of the Company are not compensated for serving as directors or attending meetings of the Board or committees of the Board. Directors are entitled to reimbursements for their out-of-pocket expenses incurred in attending meetings of the Board or committees of the Board. Directors who are employees of the Company are also entitled to receive compensation in such capacity.

Executive Compensation

The Company has entered into five-year employment agreements (the "Employment Agreements") with Paul Segall, the Chairman and Chief Executive Officer; Victoria Bellport, the Chief Financial Officer; Judith Segall, Vice President of Technology and Corporate Secretary; Hal Sternberg, Vice President of Research; and Harold Waitz, Vice President of Engineering and Regulatory Affairs. The Employment Agreements will expire on December 31, 2000 but may terminate prior to the end of the term if the employee (1) dies, (2) leaves the Company, (3) becomes disabled for a period of 90 days in any 150 day period, or (4) is discharged by the Board of Directors for failure to carry out the reasonable policies of the Board, persistent absenteeism, or a material breach of a covenant. Under the Employment Agreements, the executive officers are presently receiving annual salaries of $163,000, and will receive a one-time cash bonus of $25,000 if the Company receives at least $1,000,000 of equity financing from a pharmaceutical company.

In the event of the executive officer's death during the term of his or her Employment Agreement, the Company will pay his or her estate his or her salary for a period of six month or until December 31, 2000, whichever first occurs. In the event that the executive officer's employment terminates, voluntarily or involuntarily, after a change in control of the Company through an acquisition of voting stock, an acquisition of the Company's assets, or a merger or consolidation of the Company with another corporation or entity, the executive officers will be entitled to severance compensation equal to the greater of (a) 2.99 times his or her average annual compensation for the preceding five years and (b) the balance of his or her base salary for the unexpired portion of the term of his Employment Agreement.

The Company also entered into a similar employment agreement with Ronald S. Barkin, which commenced on April 1, 1997 and expires on March 31, 2002

Each executive officer has also executed an Intellectual Property Agreement which provides that the Company is the owner of all inventions developed by the executive officer during the course of his or her employment.

The following table summarizes certain information concerning the compensation paid to the five most highly compensated executive officers during the last three full fiscal years and the six months ended December 31, 1998.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year Ended	Annual Compensation Salary($)	Annual Compensation Bonus	Long-Term Compensation Stock Options (Shares)
Paul Segall	December 31, 1999	$163,000		
Chairman and Chief Executive Officer	December 31, 1998*	$ 49,500		
	June 30, 1998	$ 95,500	$50,000	__
	June 30, 1997	$ 90,583	__	__
Hal Sternberg				
Vice President of Research	December 31, 1999	$163,000		
	December 31, 1998*	$ 49,500		
	June 30, 1998	$ 95,500	$25,000	__
	June 30, 1997	$ 90,583	$25,000	__
Harold Waitz	December 31, 1999	$163,000		
Vice President of Engineering	December 31, 1998*	$ 49,500		
	June 30, 1998	$ 95,500	__	__
	June 30, 1997	$ 90,583	$50,000	__
Victoria Bellport	December 31, 1999	$163,000		
Vice President and	December 31, 1998*	$ 49,500		
Chief Financial Officer	June 30, 1998	$ 95,500	$25,000	__
	June 30, 1997	$ 90,583	$25,000	__
Judith Segall	December 31, 1999	$163,000		
Vice President and Corporate Secretary	December 31, 1998*	$ 49,500		
	June 30, 1998	$ 95,500	$25,000	__
	June 30, 1997	$ 90,583	$25,000	__

*During 1998, the Company changed its fiscal year end from June 30 to December 31. The amounts of base salary shown in the table for the year ended December 31, 1998 reflect a short (six month) fiscal year.

Insider Participation in Compensation Decisions

The Board of Directors does not have a standing Compensation Committee. Instead, the Board of Directors as a whole approves all executive compensation. All of the executive officers of the Company serve on the Board of Directors but do not vote on matters pertaining to their own personal compensation. Paul Segall and Judith Segall do not vote on matters pertaining to each other's compensation.

Stock Options

None of the five most highly compensated executive officers of the Company held any stock options during the fiscal year ended December 31, 1999.

Certain Relationships and Related Transactions

During the year ended December 31, 1999, $19,125 in fees for consulting services was paid to Jeffrey B. Nickel, a member of the Board of Directors.

During September 1995, the Company entered into an agreement for financial advisory services with Greenbelt Corp., a corporation controlled by Alfred D. Kingsley and Gary K. Duberstein, who are also shareholders of the Company. Under this agreement the Company issued to the financial advisor warrants to purchase 311,276 Common Shares at a price of $1.93 per share, and the Company agreed to issue additional warrants to purchase up to an additional 622,549 Common Shares at a price equal to the greater of (a) 150% of the average market price of the Common Shares during the three months prior to issuance and (b) $2 per share. The additional warrants were issued in equal quarterly installments over a two year period, beginning October 15, 1995. The exercise price and number of Common Shares for which the warrants may be exercised are subject to adjustment to prevent dilution in the event of a stock split, combination, stock dividend, reclassification of shares, sale of assets, merger or similar transaction. The warrants are exercisable at the following prices: 466,912 at $1.93 per share; 77,818 at $2.35 per share; 77,818 at $9.65 per share; 77,818 at $9.42 per share; 77,818 at $10.49 per share; 77,818 at $15.74 per share; and 77,818 at $13.75 per share. The number of shares and exercise prices shown have been adjusted for the Company's subscription rights distributions during January 1997 and February 1999 and the payment of a stock dividend during October 1997.

Under the agreement, upon the request of Greenbelt Corp., the Company will file a registration statement to register the warrants and underlying Common Shares for sale under the Securities Act of 1933, as amended (the "Act") and applicable state securities or "Blue Sky" laws. The Company will bear the expenses of registration, other than any underwriting discounts that may be incurred by Greenbelt Corp. in connection with a sale of the warrants or common shares. The Company shall not be obligated to file more than two such registration statements, other than registration statements on Form S-3. Greenbelt Corp. also is entitled to include warrants and common shares in any registration statement filed by the Company to register other securities for sale under the Act.

During April 1998, the Company entered into a new financial advisory services agreement with Greenbelt Corp. The new agreement provides for an initial payment of $90,000 followed by an advisory fee of $15,000 per month that will be paid quarterly. The agreement will expire on March 31, 2000, but either party may terminate the agreement earlier upon 30 days prior written notice.

The Company has agreed to reimburse Greenbelt Corp. for all reasonable out-of-pocket expenses incurred in connection with its engagement as financial advisor, and to indemnify Greenbelt Corp. and the officers, affiliates, employees, agents, assignees, and controlling person of Greenbelt Corp. from any liabilities arising out of or in connection with actions taken on behalf of the Company under the agreement.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth information as of March 21, 2000 concerning beneficial ownership of Common Shares by each shareholder known by the Company to be the beneficial owner of 5% or more of the Company's Common Shares, and the Company's executive officers and directors. Information concerning certain beneficial owners of more than 5% of the Common Shares is based upon information disclosed by such owners in their reports on Schedule 13D or Schedule 13G.

	Number of Shares	Percent of Total
Alfred D. Kingsley (1) Gary K. Duberstein Greenbelt Corp. Greenway Partners, L.P. Greenhouse Partners, L.P. 277 Park Avenue, 27th Floor New York, New York 10017	1,365,642	11.6
Paul and Judith Segall (2)	745,408	6.8
Harold D. Waitz (3)	524,166	4.8
Hal Sternberg	502,043	4.6
Victoria Bellport	205,978	1.9
Ronald S. Barkin (4)	192,761	1.7
Jeffrey B. Nickel (5)	25,000	*
Milton H. Dresner (6)	29,063	*
All officers and directors as a group (8 persons)(4)(5)	2,224,419	20.1%

* Less than 1%

(1) Includes 933,825 Common Shares issuable upon the exercise of certain warrants owned beneficially by Greenbelt Corp and 59,730 Common Shares owned by Greenbelt Corp. Mr. Kingsley and Mr. Duberstein may be deemed to beneficially own the warrant shares that Greenbelt Corp. beneficially owns. Includes 90,750 Common Shares owned by Greenway Partners, L.P. Greenhouse Partners, L.P. is the general partner of Greenway Partners, L.P. and Mr. Kingsley and Mr. Duberstein are the general partners of Greenhouse Partners, L.P. Greenhouse Partners, L.P., Mr. Kingsley and Mr. Duberstein may be deemed to beneficially own the Common Shares that Greenway Partners, L.P.

[FN]

beneficially owns. Includes 270,442 Common Shares owned solely by Mr. Kingsley, as to which Mr. Duberstein disclaims beneficial ownership. Includes 10,895 Common Shares owned solely by Mr. Duberstein, as to which Mr. Kingsley disclaims beneficial ownership.

(2) Includes 543,245 shares held of record by Paul Segall and 202,163 shares held of record by Judith Segall.

(3) Includes 2,100 shares held for the benefit of Dr. Waitz's minor children.

(4) Includes 135,000 Common Shares issuable upon the exercise of certain options.

(5) Includes 25,000 Common Shares issuable upon the exercise of certain options.

(6) Includes 10,000 Common Shares issuable upon the exercise of certain stock options. Does not include Common Shares that Mr. Dresner may acquire in lieu of cash payment of his director's fees.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors and executive officers and persons who own more than ten percent (10%) of a registered class of the Company's equity securities to file with the Securities and Exchange Commission (the "SEC") initial reports of ownership and reports of changes in ownership of Common Shares and other equity securities of the Company. Officers, directors and greater than ten percent beneficial owners are required by SEC regulation to furnish the Company with copies of all reports they file under Section 16(a).

To the Company's knowledge, based solely on its review of the copies of such reports furnished to the Company and written representations that no other reports were required, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with during the fiscal year ended December 31, 1999.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a-1) Financial Statements.

The following financial statements of BioTime, Inc. are filed in the Form 10-K:

(a-3) Exhibits.

Exhibit Numbers	Description
3.1	Articles of Incorporation, as Amended.+
3.3	By-Laws, As Amended.#
4.1	Specimen of Common Share Certificate.+
10.1	Lease Agreement dated July 1, 1994 between the Registrant and Robert and Norah Brower, relating to principal executive offices of the Registrant.*
10.2	Employment Agreement dated June 1, 1996 between the Company and Paul Segall.++
10.3	Employment Agreement dated June 1, 1996 between the Company and Hal Sternberg.++
10.4	Employment Agreement dated June 1, 1996 between the Company and Harold Waitz.++
10.5	Employment Agreement dated June 1, 1996 between the Company and Judith Segall.++
10.6	Employment Agreement dated June 1, 1996 between the Company and Victoria Bellport.++
10.7	Intellectual Property Agreement between the Company and Paul Segall.+
10.8	Intellectual Property Agreement between the Company and Hal Sternberg.+
10.9	Intellectual Property Agreement between the Company and Harold Waitz.+
10.10	Intellectual Property Agreement between the Company and Judith Segall.+
10.11	Intellectual Property Agreement between the Company and Victoria Bellport.+
10.12	Agreement between CMSI and BioTime Officers Releasing Employment Agreements, Selling Shares, and Transferring Non-Exclusive License.+
10.13	Agreement for Trans Time, Inc. to Exchange CMSI Common Stock for BioTime, Inc. Common Shares.+
10.14	1992 Stock Option Plan, as amended.##
10.15	Employment Agreement dated April 1, 1997 between the Company and Ronald S. Barkin.^

10.16 Intellectual Property Agreement between the Company and Ronald S. Barkin.^

10.17 Addenda to Lease Agreement between the Company and Donn Logan.**

10.18 Amendment to Employment Agreement between the Company and Paul Segall.^^

10.19 Amendment to Employment Agreement between the Company and Hal Sternberg.^^

10.20 Amendment to Employment Agreement between the Company and Harold Waitz.^^

10.21 Amendment to Employment Agreement between the Company and Judith Segall.^^

10.22 Amendment to Employment Agreement between the Company and Victoria Bellport.^^

10.23 Amendment to Employment Agreement between the Company and Ronald S. Barkin.^^

10.24 Exclusive License Agreement between Abbott Laboratories and BioTime, Inc.(Portions of this exhibit have been omitted pursuant to a request for confidential treatment).###

10.25 Modification of Exclusive License Agreement between Abbott Laboratories and BioTime, Inc.(Portions of this exhibit have been omitted pursuant to a request for confidential treatment).^^^

23.1 Consent of Deloitte & Touche LLP**

27 Financial Data Schedule**

+Incorporated by reference to the Company's Form 10-K for the fiscal year ended June 30, 1998.

+ Incorporated by reference to Registration Statement on Form S-1, File Number 33-44549 filed with the Securities and Exchange Commission on December 18, 1991, and Amendment No. 1 and Amendment No. 2 thereto filed with the Securities and Exchange Commission on February 6, 1992 and March 7, 1992, respectively.

Incorporated by reference to Registration Statement on Form S-1, File Number 33-48717 and Post-Effective Amendment No. 1 thereto filed with the Securities and Exchange Commission on June 22, 1992, and August 27, 1992, respectively.

* Incorporated by reference to the Company's Form 10-K for the fiscal year ended June 30, 1994.

++ Incorporated by reference to the Company's Form 10-K for the fiscal year ended June 30, 1996.

^ Incorporated by reference to the Company's Form 10-Q for the quarter ended March 31, 1997.

Incorporated by reference to Registration Statement on Form S-8, File Number 333-30603 filed with the Securities and Exchange Commission on July 2, 1997.

^ ^ Incorporated by reference to the Company's Form 10-Q for the quarter ended March 31, 1999.

Incorporated by reference to the Company's Form 8-K, filed April 24, 1997.

^^^ Incorporated by reference to the Company's Form 10-Q for the quarter ended June 30, 1999.

** Filed herewith.

(b) Reports on Form 8-K

The Company did not file any reports of Form 8-K for the three months ended December 31, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized on the 28th day of March 2000.

BIOTIME, INC.

By: /s/Paul E. Segall
Paul E. Segall, Ph.D.
Chairman and Chief Executive Officer (Principal executive officer)

Signature	Title	Date
/s/Paul E. Segall Paul E. Segall, Ph.D.	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	March 28, 2000
/s/Ronald S. Barkin Ronald S. Barkin	President and Director	March 28, 2000
/s/Harold D. Waitz Harold D. Waitz, Ph.D.	Vice President and Director	March 28, 2000
/s/Hal Sternberg Hal Sternberg, Ph.D.	Vice President and Director	March 28, 2000
/s/Victoria Bellport Victoria Bellport	Chief Financial Officer and Director (Principal Financial and Accounting Officer)	March 28, 2000
/s/Judith Segall Judith Segall	Vice President, Corporate Secretary and Director	March 28, 2000
Jeffrey B. Nickel	Director	March 28, 2000
Milton H. Dresner	Director	March 28, 2000

Exhibit Index

Exhibit Numbers	Description
3.1	Articles of Incorporation, as Amended.+
3.3	By-Laws, As Amended.#
4.1	Specimen of Common Share Certificate.+
10.1	Lease Agreement dated July 1, 1994 between the Registrant and Robert and Norah Brower, relating to principal executive offices of the Registrant.*
10.2	Employment Agreement dated June 1, 1996 between the Company and Paul Segall.++
10.3	Employment Agreement dated June 1, 1996 between the Company and Hal Sternberg.++
10.4	Employment Agreement dated June 1, 1996 between the Company and Harold Waitz.++
10.5	Employment Agreement dated June 1, 1996 between the Company and Judith Segall.++
10.6	Employment Agreement dated June 1, 1996 between the Company and Victoria Bellport.++
10.7	Intellectual Property Agreement between the Company and Paul Segall.+
10.8	Intellectual Property Agreement between the Company and Hal Sternberg.+
10.9	Intellectual Property Agreement between the Company and Harold Waitz.+
10.10	Intellectual Property Agreement between the Company and Judith Segall.+
10.11	Intellectual Property Agreement between the Company and Victoria Bellport.+
10.12	Agreement between CMSI and BioTime Officers Releasing Employment Agreements, Selling Shares, and Transferring Non-Exclusive License.+
10.13	Agreement for Trans Time, Inc. to Exchange CMSI Common Stock for BioTime, Inc. Common Shares.+
10.14	1992 Stock Option Plan, as amended.##
10.15	Employment Agreement dated April 1, 1997 between the Company and Ronald S. Barkin.^

10.16 Intellectual Property Agreement between the Company and Ronald S. Barkin.^

10.17 Addenda to Lease Agreement between the Company and Donn Logan.**

10.18 Amendment to Employment Agreement between the Company and Paul Segall.^^

10.19 Amendment to Employment Agreement between the Company and Hal Sternberg.^^

10.20 Amendment to Employment Agreement between the Company and Harold Waitz.^^

10.21 Amendment to Employment Agreement between the Company and Judith Segall.^^

10.22 Amendment to Employment Agreement between the Company and Victoria Bellport.^^

10.23 Amendment to Employment Agreement between the Company and Ronald S. Barkin.^^

10.24 Exclusive License Agreement between Abbott Laboratories and BioTime, Inc.(Portions of this exhibit have been omitted pursuant to a request for confidential treatment).###

10.25 Modification of Exclusive License Agreement between Abbott Laboratories and BioTime, Inc.(Portions of this exhibit have been omitted pursuant to a request for confidential treatment).^^^

23.1 Consent of Deloitte & Touche LLP**

27 Financial Data Schedule**

+Incorporated by reference to the Company's Form 10-K for the fiscal year ended June 30, 1998.

+ Incorporated by reference to Registration Statement on Form S-1, File Number 33-44549 filed with the Securities and Exchange Commission on December 18, 1991, and Amendment No. 1 and Amendment No. 2 thereto filed with the Securities and Exchange Commission on February 6, 1992 and March 7, 1992, respectively.

Incorporated by reference to Registration Statement on Form S-1, File Number 33-48717 and Post-Effective Amendment No. 1 thereto filed with the Securities and Exchange Commission on June 22, 1992, and August 27, 1992, respectively.

* Incorporated by reference to the Company's Form 10-K for the fiscal year ended June 30, 1994.

++ Incorporated by reference to the Company's Form 10-K for the fiscal year ended June 30, 1996.

^ Incorporated by reference to the Company's Form 10-Q for the quarter ended March 31, 1997.

Incorporated by reference to Registration Statement on Form S-8, File Number 333-30603 filed with the Securities and Exchange Commission on July 2, 1997.

^ ^ Incorporated by reference to the Company's Form 10-Q for the quarter ended March 31, 1999.

Incorporated by reference to the Company's Form 8-K, filed April 24, 1997.

^^^ Incorporated by reference to the Company's Form 10-Q for the quarter ended June 30, 1999.

** Filed herewith.

(b) Reports on Form 8-K

The Company did not file any reports of Form 8-K for the three months ended December 31, 1999.

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements Nos. 33-56766, 33-88968 and 333-30603 of BioTime, Inc. on Form S-8 of our report dated February 10, 2000 (which expresses an unqualified opinion and includes an explanatory paragraph related to the development stage of the Company's operations), appearing in the Annual Report on Form 10-K of BioTime, Inc. for year ended December 31, 1999.

DELOITTE & TOUCHE LLP
March 29, 2000
San Francisco, CA

5

12-MOS
DEC-31-1999
JAN-01-1999
DEC-31-1999
5,292,806
0
0
0
0
5,400,091
545,300
276,647
5,678,644
595,512
0
0
0
0
27,200,380
0
2,678,644
0
1,037,500
0
(6,797,211)
0
0
(279,827)
(5,479,884)
0
0
0
0
0
(5,479,884)
(0.51)
(0.51)