ROYAL BANK OF CANADA
Form 424B2
August 29, 2018

RBC Capital Markets®

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Pricing Supplement
Dated August 27, 2018
To the Product Prospectus Supplement No. TP-1, the Prospectus Supplement and the Prospectus, Each Dated January 8, 2016

$5,000,000
Issuer Callable Contingent Coupon Barrier Notes
Linked to the Lesser Performing of Two Equity Indices and One Exchange Traded Fund, due September 1, 2020
Royal Bank of Canada

Royal Bank of Canada is offering Auto-Callable Contingent Coupon Barrier Notes (the "Notes") linked to the lesser performing of two equity indices and one exchange traded fund (each, a "Reference Asset" and collectively, the "Reference Assets"). The Notes offered are senior unsecured obligations of Royal Bank of Canada, will pay a quarterly Contingent Coupon at the rate and under the circumstances specified below, and will have the terms described in the documents described above, as supplemented or modified by this pricing supplement.

Reference Assets	Initial Levels	Coupon Barriers and Trigger Levels*
S&P 500® Index ("SPX")	2,896.87	2,027.81, which is 70% of its Initial Level
Russell 2000® Index ("RTY")	1,730.570	1,211.399, which is 70% of its Initial Level
Financial Select Sector SPDR Fund ("XLF")	$28.64	$20.05, which is 70% of its Initial Level

* Rounded to two decimal places with respect to the SPX and the XLF.

The Notes do not guarantee any return of principal at maturity. Any payments on the Notes are subject to our credit risk.

Investing in the Notes involves a number of risks. See "Risk Factors" beginning on page PS-5 of the product prospectus supplement dated January 8, 2016, on page S-1 of the prospectus supplement dated January 8, 2016, and "Selected Risk Considerations" beginning on page P-8 of this pricing supplement.

The Notes will not constitute deposits insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. government agency or instrumentality.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or determined that this pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

Issuer:	Royal Bank of Canada	Stock Exchange Listing:	None
Trade Date:	August 27, 2018	Principal Amount:	$1,000 per Note
Issue Date:	September 4, 2018	Maturity Date:	September 1, 2020
Observation Dates:	Quarterly, as set forth below.	Coupon Payment Dates:	Quarterly, as set forth below
Valuation Date:	August 27, 2020	Contingent Coupon Rate:	8.00% per annum
Contingent Coupon:	If the Notes have not been previously called and the Observation Level of each Reference Asset is greater than or equal to its Coupon Barrier on the applicable Observation Date, we will pay the Contingent Coupon applicable to the corresponding Observation Date. You may not receive any Contingent Coupons during the term of the Notes.		
Payment at Maturity (if held to maturity):	If the Notes are not previously called, we will pay you at maturity an amount based on the Final Level of the Lesser Performing Reference Asset:		

	For each $1,000 in principal amount, $1,000 plus the Contingent Coupon at maturity, unless the Final Level of the Lesser Performing Reference Asset is less than its Trigger Level. If the Final Level of the Lesser Performing Reference Asset is less than its Trigger Level, then the investor will receive at maturity, for each $1,000 in principal amount, a cash payment equal to: $1,000 + ($1,000 x Reference Asset Return of the Lesser Performing Reference Asset) Investors in the Notes could lose some or all of their principal amount if the Final Level of the Lesser Performing Reference Asset is below its Trigger Level.
Lesser Performing Reference Asset:	The Reference Asset with the lowest Reference Asset Return.
Call Feature:	The Notes may be called at our discretion starting on November 30, 2018 or on any Coupon Payment Date thereafter, if we send prior written notice, as described below.
Observation Level:	For the SPX and RTY, their respective closing levels, and for the XLF, its closing price, on any Observation Date.
Final Level:	For the SPX and RTY, their respective closing levels on the Valuation Date, and for the XLF, its closing price on the Valuation Date.
CUSIP:	78013XC97

	Per Note	Total
Price to public	100.00%	$5,000,000
Underwriting discounts and commissions	0.50%	$25,000
Proceeds to Royal Bank of Canada	99.50%	$4,975,000

The initial estimated value of the Notes as of the date of this pricing supplement is $985.48 per $1,000 in principal amount, which is less than the price to public. The actual value of the Notes at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount. We describe our determination of the initial estimated value in more detail below.

RBC Capital Markets, LLC, which we refer to as RBCCM, acting as agent for Royal Bank of Canada, received a commission of $5.00 per $1,000 in principal amount of the Notes and used a portion of that commission to allow selling concessions to other dealers of up to $5.00 per $1,000 in principal amount of the Notes. The other dealers may forgo, in their sole discretion, some or all of their selling concessions. See “Supplemental Plan of Distribution (Conflicts of Interest)” below.

RBC Capital Markets, LLC

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Royal Bank of Canada

SUMMARY

The information in this "Summary" section is qualified by the more detailed information set forth in this pricing supplement, the product prospectus supplement, the prospectus supplement, and the prospectus.

General:	This pricing supplement relates to an offering of Issuer Callable Contingent Coupon Barrier Notes (the "Notes") linked to the lesser performing of of the following (each, a "Reference Asset", and collectively, the "Reference Assets"): (i) the S&P 500® Index (the "SPX"); (ii) the Russell 2000® Index (the "RTY," and together with the SPX, the "Indices"); and (iii) the shares of the Financial Select Sector SPDR Fund Index (the "XLF"). See "Additional Terms of your Notes Related to Indices" below, which relates to each of the SPX and the RTY.
Issuer:	Royal Bank of Canada ("Royal Bank")
Issue:	Senior Global Medium-Term Notes, Series G
Trade Date:	August 27, 2018
Issue Date:	September 4, 2018
Denominations:	Minimum denomination of $1,000, and integral multiples of $1,000 thereafter.
Designated Currency:	U.S. Dollars
Contingent Coupon:	We will pay you a Contingent Coupon during the term of the Notes, periodically in arrears on each Coupon Payment Date, under the conditions described below: · If the Observation Level of each Reference Asset is greater than or equal to its Coupon Barrier on the applicable Observation Date, we will pay the Contingent Coupon applicable to that Observation Date. · If the Observation Level of any Reference Asset is less than its Coupon Barrier on the applicable Observation Date, we will not pay you the Contingent Coupon applicable to that Observation Date. You may not receive a Contingent Coupon for one or more quarterly periods during the term of the Notes.
Contingent Coupon Rate:	8.00% per annum (2.00% per quarter)
Observation Dates:	Quarterly on November 27, 2018, February 27, 2019, May 28, 2019, August 27, 2019, November 27, 2019, February 27, 2020, May 27, 2020 and the Valuation Date.
Coupon Payment Dates:	The Contingent Coupon, if applicable, will be paid quarterly on November 30, 2018, March 4, 2019, May 31, 2019, August 30, 2019, December 3, 2019, March 3, 2020, June 1, 2020 and the Maturity Date.
Record Dates:	The record date for each Coupon Payment Date will be the date one business day prior to that scheduled Coupon Payment Date; provided, however, that any Contingent Coupon payable at maturity or upon a call will be payable to the person to whom the payment at maturity or upon the call, as the case may be, will be payable.
Call Feature:	The Notes may be called at our discretion starting on November 30, 2018 or on any Coupon Payment Date thereafter, if we send written notice to the trustee at least three business days prior to that Coupon Payment Date.
Payment if Called:	If the Notes are called, then, on the applicable Coupon Payment Date, for each $1,000 principal amount, you will receive $1,000 plus the Contingent Coupon otherwise due on that Coupon Payment Date.

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Valuation Date:	August 27, 2020
Maturity Date:	September 1, 2020
Initial Level:	For the SPX and the RTY, intra-day closing levels, and for the XLF, an intra-day price, on the Trade Date, as specified on the cover page of this pricing supplement.
Final Level:	For the SPX and the RTY, their respective closing levels, and for the XLF, its closing price, on the Valuation Date.
Observation Level:	For the SPX and the RTY, their respective closing levels, and for the XLF, its closing price, on any Observation Date.
Trigger Level and Coupon Barrier:	For each Reference Asset, 70% of its Initial Level, as specified on the cover page of this pricing supplement.
Payment at Maturity (if not previously called and held to maturity):	If the Notes are not previously called, we will pay you at maturity an amount based on the Final Level of the Lesser Performing Reference Asset: · If the Final Level of the Lesser Performing Reference Asset is greater than or equal to its Trigger Level, we will pay you a cash payment equal to the principal amount plus the Contingent Coupon otherwise due on the Maturity Date. · If the Final Level of the Lesser Performing Reference Asset is less than its Trigger Level, you will receive at maturity, for each $1,000 in principal amount, a cash payment equal to: $1,000 + ($1,000 x Reference Asset Return of the Lesser Performing Reference Asset) The amount of cash that you receive will be less than your principal amount, if anything, resulting in a loss that is proportionate to the decline of the Lesser Performing Reference Asset from the Trade Date to the Valuation Date. Investors in the Notes could lose some or all of their principal amount if the Final Level of the Lesser Performing Reference Asset is below its Trigger Level.
Stock Settlement:	Not applicable. Payments on the Notes will be made solely in cash.
Reference Asset Return:	With respect to each Reference Asset: Final Level – Initial Level Initial Level
Lesser Performing Reference Asset:	The Reference Asset with the lowest Reference Asset Return.
Market Disruption Events:	The occurrence of a market disruption event (or a non-trading day) as to any of the Reference Assets will result in the postponement of an Observation Date or the Valuation Date as to that Reference Asset, as described in the product prospectus supplement, but not to any non-affected Reference Asset.
Calculation Agent:	RBC Capital Markets, LLC (“RBCCM”)
U.S. Tax Treatment:	By purchasing a Note, each holder agrees (in the absence of a change in law, an administrative determination or a judicial ruling to the contrary) to treat the Note as a callable pre-paid cash-settled contingent income-bearing derivative contract linked to the Reference Assets for U.S. federal income tax purposes. However, the U.S. federal income tax consequences of your investment in the Notes are

	uncertain and the Internal Revenue Service could assert that the Notes should be taxed in a manner that is different from that described in the preceding sentence. Please see the section below, "Supplemental Discussion of U.S. Federal Income Tax Consequences," and the discussion (including the opinion of our counsel Morrison & Foerster LLP) in the product prospectus supplement dated January 8, 2016 under "Supplemental Discussion of U.S. Federal Income Tax Consequences," which apply to the Notes.
Secondary Market:	RBCCM (or one of its affiliates), though not obligated to do so, may maintain a secondary market in the Notes after the Issue Date. The amount that you may receive upon sale of your Notes prior to maturity may be less than the principal amount.

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Listing:	The Notes will not be listed on any securities exchange.
Settlement:	DTC global (including through its indirect participants Euroclear and Clearstream, Luxembourg as described under “Description of Debt Securities—Ownership and Book-Entry Issuance” in the prospectus dated January 8, 2016).
Terms Incorporated in the Master Note:	All of the terms appearing above the item captioned “Secondary Market” on the cover page and pages P-2 and P-3 of this pricing supplement and the terms appearing under the caption “General Terms of the Notes” in the product prospectus supplement dated January 8, 2016, as modified by this pricing supplement. In addition to those terms, the following two sentences are also so incorporated into the master note: RBC confirms that it fully understands and is able to calculate the effective annual rate of interest applicable to the Notes based on the methodology for calculating per annum rates provided for in the Notes. RBC irrevocably agrees not to plead or assert Section 4 of the Interest Act (Canada), whether by way of defense or otherwise, in any proceeding relating to the Notes.

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ADDITIONAL TERMS OF YOUR NOTES

You should read this pricing supplement together with the prospectus dated January 8, 2016, as supplemented by the prospectus supplement dated January 8, 2016 and the product prospectus supplement dated January 8, 2016, relating to our Senior Global Medium-Term Notes, Series G, of which these Notes are a part. Capitalized terms used but not defined in this pricing supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict, this pricing supplement will control. The Notes vary from the terms described in the product prospectus supplement in several important ways. You should read this pricing supplement carefully, including "- Additional Terms Relating to Indices" below, which relate to each of the SPX and the RTY.

This pricing supplement, together with the documents listed below, contains the terms of the Notes and supersedes all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in "Risk Factors" in the prospectus supplement dated January 8, 2016 and in the product prospectus supplement dated January 8, 2016, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes. You may access these documents on the Securities and Exchange Commission (the "SEC") website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website):

Prospectus dated January 8, 2016:
http://www.sec.gov/Archives/edgar/data/1000275/000121465916008810/j18160424b3.htm
Prospectus Supplement dated January 8, 2016:
http://www.sec.gov/Archives/edgar/data/1000275/000121465916008811/p14150424b3.htm
Product Prospectus Supplement dated January 8, 2016:
https://www.sec.gov/Archives/edgar/data/1000275/000114036116047446/form424b5.htm

Our Central Index Key, or CIK, on the SEC website is 1000275. As used in this pricing supplement, "we," "us," or "our" refers to Royal Bank of Canada.

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HYPOTHETICAL EXAMPLES

The table set out below is included for illustration purposes only. The table illustrates the Payment at Maturity of the Notes (including the final Contingent Coupon, if payable) for a hypothetical range of performance for the Lesser Performing Reference Asset, assuming the following terms and that the Notes are not called prior to maturity:

Hypothetical Trigger Level and Coupon Barrier:	70% of the hypothetical Initial Level of the Lesser Performing Reference Asset
Contingent Coupon Rate:	8.00% per annum (or 2.00% per quarter)
Contingent Coupon Amount:	$20.00 per quarter
Observation Dates:	Quarterly
Principal Amount:	$1,000 per Note

We make no representation or warranty as to which of the Reference Assets will be the Lesser Performing Reference Asset. It is possible that the Final Level of each Reference Asset will be less than its Initial Level.

Hypothetical Final Levels of the Lesser Performing Reference Asset, expressed as a percentage of its Initial Level, are shown in the first column on the left. The second column shows the Payment at Maturity for a range of Reference Asset Returns on the Valuation Date. The third column shows the amount of cash to be paid on the Notes per $1,000 in principal amount. If the Notes are called prior to maturity, the hypothetical examples below will not be relevant, and you will receive on the applicable Coupon Payment Date, for each $1,000 principal amount, $1,000 plus the Contingent Coupon otherwise due on the Notes.

Final Level of the Lesser Performing Reference Asset (%)	Payment at Maturity as Percentage of Principal Amount	Cash Payment Amount per $1,000 in Principal Amount
130.00%	100.00%	$1,020.00*
120.00%	100.00%	$1,020.00*
110.00%	100.00%	$1,020.00*
100.00%	100.00%	$1,020.00*
90.00%	100.00%	$1,020.00*
80.00%	100.00%	$1,020.00*
70.00%	100.00%	$1,020.00*
69.99%	69.99%	$699.90
60.00%	60.00%	$600.00
50.00%	50.00%	$500.00
40.00%	40.00%	$400.00
25.00%	25.00%	$250.00
0.00%	0.00%	$0.00

*Including the final Contingent Coupon, if payable.

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Hypothetical Examples of Amounts Payable at Maturity

The following hypothetical examples illustrate how the payments at maturity set forth in the table above are calculated, assuming the Notes have not been called.

Example 1: The Final Level of the Lesser Performing Reference Asset is 120%, an increase of 20% from its Initial Level. Because the Final Level of the Lesser Performing Reference Asset is greater than its Trigger Level and Coupon Barrier of 70%, the investor receives at maturity, in addition to the final Contingent Coupon of $20.00 otherwise due on the Notes, a cash payment of $1,000 per Note, despite the 20% appreciation in the value of the Lesser Performing Reference Asset.

Example 2: The Final Level of the Lesser Performing Reference Asset is 90.00%, a decrease of 10% from its Initial Level. Because the Final Level of the Lesser Performing Reference Asset is greater than its Trigger Level and Coupon Barrier of 70%, the investor receives at maturity, in addition to the final Contingent Coupon of $20.00 otherwise due on the Notes, a cash payment of $1,000 per Note, despite the 10% decline in the value of the Lesser Performing Reference Asset.

Example 3: The Final Level of the Lesser Performing Reference Asset is 50.00% on the Valuation Date, which is less than its Trigger Level of 70%. Because the Final Level of the Lesser Performing Reference Asset is less than its Trigger Level and Coupon Barrier, the final Contingent Coupon will not be payable on the Maturity Date, and we will pay only $500.00 for each $1,000 in the principal amount of the Notes, calculated as follows:

Principal Amount + (Principal Amount x Reference Asset Return of the Lesser Performing Reference Asset)
= $1,000 + ($1,000 x -50.00%) = $1,000 - $500.00 = $500.00

* * *

The Payments at Maturity shown above are entirely hypothetical; they are based on values of the Reference Assets that may not be achieved on the Valuation Date and on assumptions that may prove to be erroneous. The actual market value of your Notes on the Maturity Date or at any other time, including any time you may wish to sell your Notes, may bear little relation to the hypothetical Payments at Maturity shown above, and those amounts should not be viewed as an indication of the financial return on an investment in the Notes or on an investment in any Reference Asset or the securities included in any of the Reference Assets.

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SELECTED RISK CONSIDERATIONS

An investment in the Notes involves significant risks. Investing in the Notes is not equivalent to investing directly in the Reference Assets. These risks are explained in more detail in the section "Risk Factors" in the product prospectus supplement. In addition to the risks described in the prospectus supplement and the product prospectus supplement, you should consider the following:

- Principal at Risk — Investors in the Notes could lose all or a substantial portion of their principal amount if there is a decline in the value of the Lesser Performing Reference Asset between the Trade Date and the Valuation Date. If the Notes are not called and the Final Level of the Lesser Performing Reference Asset on the Valuation Date is less than its Trigger Level, the amount of cash that you receive at maturity will represent a loss of your principal that is proportionate to the decline in the closing price or closing level, as applicable, of the Lesser Performing Reference Asset from the Trade Date to the Valuation Date. Any Contingent Coupons received on the Notes prior to the Maturity Date may not be sufficient to compensate for any such loss.
- The Notes Are Subject to an Issuer Call — We may call the Notes at our discretion on any Coupon Payment Date beginning in November 2018. If the Notes are called, then, on the applicable Coupon Payment Date, for each $1,000 in principal amount, you will receive $1,000 plus the Contingent Coupon otherwise due on the applicable Coupon Payment Date. You will not receive any Contingent Coupons after that payment. You may be unable to reinvest your proceeds from the call in an investment with a return that is as high as the return on the Notes would have been if they had not been called. We are more likely to call the Notes if we anticipate that the yield on the Notes will exceed that payable on our conventional debt securities.
- You May Not Receive Any Contingent Coupons — We will not necessarily make any coupon payments on the Notes. If the Observation Level of any of the Reference Assets on an Observation Date is less than its Coupon Barrier, we will not pay you the Contingent Coupon applicable to that Observation Date. If the Observation Level of any of the Reference Assets is less than its Coupon Barrier on each of the Observation Dates and on the Valuation Date, we will not pay you any Contingent Coupons during the term of, and you will not receive a positive return on your Notes. Generally, this non-payment of the Contingent Coupon coincides with a period of greater risk of principal loss on your Notes. Accordingly, if we do not pay the Contingent Coupon on the Maturity Date, you will also incur a loss of principal, because the Final Level of the Lesser Performing Reference Asset will be less than its Trigger Level.
- The Notes Are Linked to the Lesser Performing Reference Asset, Even if the Other Reference Assets Perform Better — If any of the Reference Assets has a Final Level that is less than its Trigger Level, your return will be linked to the lesser performing of the three Reference Assets. Even if the Final Levels of the other Reference Assets have increased compared to their respective Initial Levels, or have experienced a decrease that is less than that of the Lesser Performing Reference Asset, your return will only be determined by reference to the performance of the Lesser Performing Reference Asset, regardless of the performance of the other Reference Assets.
- Your Payment on the Notes Will Be Determined by Reference to Each Reference Asset Individually, Not to a Basket, and the Payment at Maturity Will Be Based on the Performance of the Lesser Performing Reference Asset — The Payment at Maturity will be determined only by reference to the performance of the Lesser Performing Reference Asset, regardless of the performance of the other Reference Assets. The Notes are not linked to a weighted basket, in which the risk may be mitigated and diversified among each of the basket components. For example, in the case of notes linked to a weighted basket, the return would depend on the weighted aggregate performance of the basket components reflected as the basket return. As a result, the depreciation of one basket component could be mitigated by the appreciation of the other basket components, as scaled by the weighting of that basket component. However, in the case of the Notes, the individual performance of each of the Reference Assets would not be combined, and the depreciation of one Reference Asset would not be mitigated by any appreciation of the other Reference Assets. Instead, your return will depend solely on the Final Level of the Lesser Performing Reference Asset. Because each

Reference Asset tracks a different segment of the U.S. equities market, they may each decrease in a comparable manner. In addition, each of the securities included in the underlying index for the XLF is also included in the SPX.

- The Call Feature and the Contingent Coupon Feature Limit Your Potential Return — The return potential of the Notes is limited to the pre-specified Contingent Coupon Rate, regardless of the appreciation of the Reference Assets. In addition, the total return on the Notes will vary based on the number of Observation Dates on which the Contingent Coupon becomes payable prior to maturity or an issuer call. Further, if the Notes are called due to the Call Feature, you will not receive any Contingent Coupons or any other payment in respect of any Observation Dates after the applicable payment date. Since the Notes could be called as early as the first Observation Date, the total return on the Notes could be minimal. If the Notes are not called, you may be subject to the full downside performance of the Lesser Performing Reference Asset even though your potential return is limited to the Contingent Coupon Rate. As a result, the return on an investment in the Notes could be less than the return on a direct investment in the Reference Assets.
- Your Return May Be Lower than the Return on a Conventional Debt Security of Comparable Maturity — The return that you will receive on the Notes, which could be negative, may be less than the return you could earn on other investments. Even if your return is positive, your return may be less than the return you would earn if you bought a conventional senior interest bearing debt security of Royal Bank.

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- Payments on the Notes Are Subject to Our Credit Risk, and Changes in Our Credit Ratings Are Expected to Affect the Market Value of the Notes — The Notes are our senior unsecured debt securities. As a result, your receipt of any Contingent Coupons, if payable, and the amount due on any relevant payment date is dependent upon our ability to repay its obligations on the applicable payment dates. This will be the case even if the values of the Reference Assets increase after the Trade Date. No assurance can be given as to what our financial condition will be at any time during the term of the Notes.
- There May Not Be an Active Trading Market for the Notes-Sales in the Secondary Market May Result in Significant Losses — There may be little or no secondary market for the Notes. The Notes will not be listed on any securities exchange. RBCCM and our other affiliates may make a market for the Notes; however, they are not required to do so. RBCCM or any other affiliate of ours may stop any market-making activities at any time. Even if a secondary market for the Notes develops, it may not provide significant liquidity or trade at prices advantageous to you. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your Notes in any secondary market could be substantial.
- The Initial Estimated Value of the Notes Is Less than the Price to the Public — The initial estimated value set forth on the cover page of this pricing supplement does not represent a minimum price at which we, RBCCM or any of our affiliates would be willing to purchase the Notes in any secondary market (if any exists) at any time. If you attempt to sell the Notes prior to maturity, their market value may be lower than the price you paid for them and the initial estimated value. This is due to, among other things, changes in the prices or levels of the Reference Assets, the borrowing rate we pay to issue securities of this kind, and the inclusion in the price to the public of the underwriting discount and the estimated costs relating to our hedging of the Notes. These factors, together with various credit, market and economic factors over the term of the Notes, are expected to reduce the price at which you may be able to sell the Notes in any secondary market and will affect the value of the Notes in complex and unpredictable ways. Assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your Notes prior to maturity may be less than your original purchase price, as any such sale price would not be expected to include the underwriting discount and the hedging costs relating to the Notes. In addition to bid-ask spreads, the value of the Notes determined by RBCCM for any secondary market price is expected to be based on the secondary rate rather than the internal funding rate used to price the Notes and determine the initial estimated value. As a result, the secondary price will be less than if the internal funding rate was used. The Notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Notes to maturity.
- The Initial Estimated Value of the Notes on the Cover Page of this Pricing Supplement Is an Estimate Only, Calculated as of the Time the Terms of the Notes Were Set — The initial estimated value of the Notes is based on the value of our obligation to make the payments on the Notes, together with the mid-market value of the derivative embedded in the terms of the Notes. See “Structuring the Notes” below. Our estimate is based on a variety of assumptions, including our credit spreads, expectations as to dividends, interest rates and volatility, and the expected term of the Notes. These assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the Notes or similar securities at a price that is significantly different than we do. The value of the Notes at any time after the Trade Date will vary based on many factors, including changes in market conditions, and cannot be predicted with accuracy. As a result, the actual value you would receive if you sold the Notes in any secondary market, if any, should be expected to differ materially from the initial estimated value of your Notes.
- Market Disruption Events and Adjustments — The payment at maturity, each Observation Date and the Valuation Date are subject to adjustment as described in the product prospectus supplement and in the following section.
- Owning the Notes Is Not the Same as Owning the XLF or the Securities Represented by the Indices — The return on your Notes is unlikely to reflect the return you would realize if you actually owned shares of the XLF or the securities

represented by the Indices. For instance, you will not receive or be entitled to receive any dividend payments or other distributions on these securities during the term of your Notes. As an owner of the Notes, you will not have voting rights or any other rights that holders of these securities may have. Furthermore, the Reference Assets may appreciate substantially during the term of the Notes, while your potential return will be limited to the applicable Contingent Coupon payments.

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- Prior to Maturity, the Value of the Notes Will Be Influenced by Many Unpredictable Factors — Many economic and market factors will influence the value of the Notes. We expect that, generally, the price or level of each Reference Asset on any day will affect the value of the Notes more than any other single factor. However, you should not expect the value of the Notes in the secondary market to vary in proportion to changes in the value of the Reference Assets. The value of the Notes will be affected by a number of other factors that may either offset or magnify each other, including:

Ø the market value of the Reference Assets;
Ø whether the market value of one or more of the Reference Assets is below the Coupon Barrier or the Trigger Level;
Ø the expected volatility of the Reference Assets;
Ø the time to maturity of the Notes;
Ø the dividend rate on the Reference Assets or on the equity securities represented by the Reference Assets;
Ø interest and yield rates in the market generally, as well as in the markets of the equity securities represented by the Reference Assets;
Ø the occurrence of certain events relating to a Reference Asset that may or may not require an adjustment to the Initial Level, the Coupon Barrier and the Trigger Level;
Ø economic, financial, political, regulatory or judicial events that affect the Reference Assets or the equity securities represented by the Reference Assets or stock markets generally, and which may affect the market value of the Reference Assets on any Observation Date; and
Ø our creditworthiness, including actual or anticipated downgrades in our credit ratings.

Some or all of these factors will influence the price you will receive if you choose to sell your Notes prior to maturity. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors. You may have to sell your Notes at a substantial discount from the principal amount if the market value of the Reference Assets is at, below or not sufficiently above their Initial Levels, the Coupon Barrier or the Trigger Level.

- Our Business Activities May Create Conflicts of Interest — We and our affiliates expect to engage in trading activities related to the securities included in or represented by the Reference Assets that are not for the account of holders of the Notes or on their behalf. These trading activities may present a conflict between the holders' interests in the Notes and the interests we and our affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the prices or levels of the Reference Assets, could be adverse to the interests of the holders of the Notes. We and one or more of our affiliates may, at present or in the future, engage in business with the securities included in or represented by the Reference Assets, including making loans to or providing advisory services. These services could include investment banking and merger and acquisition advisory services. These activities may present a conflict between our or one or more of our affiliates' obligations and your interests as a holder of the Notes. Moreover, we, and our affiliates may have published, and in the future expect to publish, research reports with respect to the Reference Assets or securities included in or represented by the Reference Assets This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities by us or one or more of our affiliates may affect the prices or levels of the Reference Assets and, therefore, the market value of the Notes.
- Market Disruption Events and Adjustments — The Payment

		at Maturity, each Observation Date and the er-bottom: medium none;">		
Accounts receivable		(5,966)		(234,901)
Prepaid expenses and other current assets		71,053		(8,029)
Deposits		—		(4,926)
Accounts payable and accrued liabilities		(240,768)		77
Deferred revenue		389,362		(72,188)
Other long-term liabilities		4,578		2,594
Net cash used in operating activities		(1,072,404)		(1,763,026)
INVESTING ACTIVITIES:				
Purchase of equipment		(5,943)		0
FINANCING ACTIVITIES:				
Increase in royalty obligation		—		697,828
Payment on royalty obligation		—		(130,000)
Exercise of options		126		—
Net cash provided by financing activities		126		567,828
DECREASE IN CASH AND CASH EQUIVALENTS		(1,078,221)		(1,195,198)
Cash and cash equivalents at beginning of period		1,833,774		1,370,762
Cash and cash equivalents at end of period	$	755,553	$	175,564
NONCASH FINANCING AND INVESTING ACTIVITIES:				
Issuance of shares to secure line of credit	$	38,000	$	—
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash for interest	$	—	$	—

See notes to condensed financial statements. (Concluded)

BIOTIME, INC.
NOTES TO FINANCIAL STATEMENTS

1. Organization

General - BioTime, Inc. ("BioTime") was organized November 30, 1990 as a California corporation. BioTime is a biomedical organization 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.

The condensed balance sheet as of September 30, 2006, the condensed statements of operations for the three and nine months ended September 30, 2006 and 2005 and the statements of cash flows for the nine months ended September 30, 2006 and 2005 have been prepared by BioTime without audit. In the opinion of management, all adjustments (consisting primarily of normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at September 30, 2006 and for all periods presented have been made. The results of operations for the three and nine months ended September 30, 2006 are not necessarily indicative of the operating results anticipated for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as permitted by regulations of the Securities and Exchange Commission. Certain previously furnished amounts have been reclassified to conform with presentations made during the current periods. It is suggested that these interim condensed financial statements be read in conjunction with the annual audited financial statements and notes thereto included in BioTime's Form 10-K for the year ended December 31, 2005.

Significant Risks and Uncertainties- BioTime'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 BioTime's products; BioTime'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 BioTime products; BioTime's ability to obtain additional financing and the terms of any such financing that may be obtained; BioTime's ability to negotiate favorable licensing or other manufacturing and marketing agreements for its products; the availability of ingredients used in BioTime's products; and the availability of reimbursement for the cost of BioTime's products (and related treatment) from government health administration authorities, private health coverage insurers and other organizations.

Liquidity - At September 30, 2006, BioTime had $755,553 of cash on hand and available lines of credit totaling $543,600 (see Note 3), from which no money has yet been drawn. However, BioTime needs additional capital and greater revenues to continue its current operations, to complete clinical trials of PentaLyte[â], and to conduct its planned product development and research programs. Sales of additional equity securities could result in the dilution of the interests of present shareholders. BioTime is also continuing to seek new agreements with pharmaceutical companies to provide product and technology licensing fees and

royalties. The availability and terms of equity financing and new license agreements are uncertain. The unavailability or inadequacy of additional financing or future revenues to meet capital needs could force BioTime to modify, curtail, delay, suspend, or possibly discontinue some or all aspects of its planned operations. Management believes that its projected rate of spending, which includes possible spending cuts, cash on hand, anticipated royalties from the sale of Hextend®, licensing fees, and available revolving lines of credit, will allow BioTime to operate through September 30, 2007.

2. Significant Accounting Policies

Financial Statement Estimates - 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. Actual results could differ from those estimates.

Revenue recognition - Royalty and license fee revenues consist of product royalty payments and fees under license agreements and are recognized when earned. Up-front fees where BioTime has no continuing performance obligations are recognized as revenues when collection is reasonably assured. In situations where continuing performance obligations exist, up-front fees are deferred and amortized ratably over the performance period. If the performance period cannot be reasonably estimated, BioTime amortizes fees over the life of the contract until such time that the performance period can be more reasonably estimated. Milestones, if any, related to scientific or technical achievements are recognized in income when the milestone is accomplished if (a) substantive effort was required to achieve the milestone, (b) the amount of the milestone payment appears reasonably commensurate with the effort expended and (c) collection of the payment is reasonably assured.

BioTime also defers costs, including finders' fees, which are directly related to license agreements for which revenue has been deferred. Deferred costs are charged to expense proportionally and over the same period that related deferred revenue is recognized as revenue. Deferred costs are net against deferred revenues in BioTime's balance sheet.

BioTime recognizes royalty revenues in the quarter in which the sales report is received, rather than the quarter in which the sales took place, as BioTime does not have sufficient sales history to accurately predict quarterly sales.

Grant income is recognized as revenue when earned.

Stock-based Compensation - On January 1, 2006, BioTime adopted Statement of Financial Accounting Standard ("SFAS") 123 (revised 2004), "Share-Based Payment" ("SFAS 123(R)") which requires the measurement and recognition of compensation expense for all share-based payment awards made to directors and employees including employee stock options based on estimated fair values. SFAS 123(R) supersedes BioTime's previous accounting using the intrinsic value method under Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees" for periods beginning in fiscal 2006. In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 ("SAB107") relating to SFAS 123(R), which provides supplemental implementation guidance for SFAS 123(R). BioTime has applied the provisions of SAB 107 in its adoption of SFAS 123(R).

Upon adoption of SFAS 123 (R), BioTime has continued to utilize the Black-Scholes Merton option pricing model which was previously used for BioTime's proforma disclosures under SFAS 123. BioTime's determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by BioTime's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, BioTime's expected stock price volatility over the term of the awards, and the actual and the projected employee stock options exercise behaviors. The expected term of options granted is derived from historical data on employee exercises and post-vesting employment termination behavior. The risk-free rate is based on the U.S Treasury rates in effect during the corresponding period of grant. Because changes in the subjective assumptions can materially affect the estimated value, in management's opinion, the existing valuation models may not provide an accurate measure of the fair value of BioTime's employee stock options. Although the fair value of employee stock options is determined in accordance with SFAS 123(R) and SAB 107 using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

3. Lines of Credit

In April 2006, BioTime entered into a Revolving Line of Credit Agreement (the "Credit Agreement") with Alfred D. Kingsley, Cyndel & Co., Inc., and George Karfunkel, investors in BioTime, under which BioTime may borrow up to $500,000 for working capital purposes at an interest rate of 10% per annum. The maturity date of the Credit Agreement is the earlier of (i) October 31, 2007 or (ii) such date on which the borrower shall have received an aggregate of $600,000 through (A) the sale of capital stock, (B) the collection of licensing fees, signing fees, milestone fees, or similar fees in excess of $1,000,000 under any present or future agreement pursuant to which the borrower grants one or more licenses to use the borrower's patents or technology, (C) funds borrowed from other lenders, or (D) any combination of sources under clauses (A) through (C). Under the Credit Agreement, BioTime will prepay, and the credit line will be reduced by, any funds received prior to the maturity date from those sources discussed above. The line of credit is collateralized by a security interest in BioTime's right to receive royalty and other payments under the license agreement with Hospira. In consideration for making the line of credit available, BioTime issued to the investors a total of 99,999 common shares. The market value of BioTime common shares was $0.38 per common share on April 12, 2006, valuing the shares at $38,000. The debt issuance costs are being amortized to interest expense through the maturity date of October 31, 2007. If any of the criteria (A) through (D) shall occur before October 31, 2007, the remaining unamortized debt issuance costs will be charged to interest expense at that time. No funds have yet been drawn on this line of credit.

BioTime also has an available line of credit from American Express, which allows for borrowings up to $43,600; no funds have yet been drawn from this line of credit. Should any such money be drawn, interest will be payable on borrowings at a total rate equal to the prime rate plus 3.99%; however, regardless of the prime rate, the interest rate payable will at no time be less than 9.49%. The line of credit will not expire unless terminated by one of the parties.

4. Royalty Obligation

In December 2004, BioTime entered into an agreement with Summit Pharmaceuticals International Corporation ("Summit") to co-develop Hextend and PentaLyte for the Japanese market. Under the agreement, BioTime received $300,000 in December 2004, $450,000 in April 2005 and $150,000 in October 2005. The payments represent a partial reimbursement of BioTime's development cost of Hextend and PentaLyte. In June 2005, following BioTime's approval of Summit's development plan for Hextend, BioTime paid to Summit a one-time fee of $130,000 for their services in preparing the plan. The agreement states that revenues from Hextend and PentaLyte in Japan will be shared between BioTime and Summit as follows: BioTime 40% and Summit 60%. Additionally, BioTime will pay Summit 8% of all net royalties received from the sale of PentaLyte in the United States.

The accounting treatment of the payments from Summit fall under the guidance of Emerging Issues Task Force ("EITF") 88-18, "Sales of Future Revenues." EITF 88-18 addresses the accounting treatment when an enterprise (BioTime) receives cash from an investor (Summit) and agrees to pay to the investor a specified percentage or amount of the revenue or a measure of income of a particular product line, business segment, trademark, patent, or contractual right. The EITF reached a consensus on six independent factors that would require reclassification of the proceeds as debt. BioTime meets one of the factors whereby BioTime has significant continuing involvement in the generation of the cash flows due to the investor. As a result, BioTime initially recorded the net proceeds from Summit to date of $770,000 as long-term debt to comply with EITF 88-18, even though BioTime is not legally indebted to Summit for that amount.

In July 2005, Summit sublicensed the rights to Hextend in Japan to Maruishi Pharmaceutical Co., Ltd ("Maruishi"). In consideration for the license, Maruishi agreed to pay Summit a series of milestone payments: Yen 70,000,000, (or $593,390 based on foreign currency conversion rates at the time) upon executing the agreement, Yen 100,000,000 upon regulatory filing in Japan, and Yen 100,000,000 upon regulatory approval of Hextend in Japan. Consistent with the terms of the BioTime and Summit agreement, Summit paid 40% of the initial agreement execution amount, $237,356, to BioTime during October 2005. BioTime does not expect the regulatory filing and approval milestones to be attained for several years.

The initial accounting viewed the potential repayment of the $770,000 imputed debt to come only from the 8% share of US PentaLyte revenues generated by BioTime and paid to Summit. BioTime first became aware of the terms of the Maruishi sublicense during the fourth quarter of 2005, at which time BioTime prepared an estimate of the future cash flows, and determined that Summit will earn a majority of its return on investment from its agreement with Maruishi, and not the 8% of BioTime's U.S. PentaLyte sales. Considering this, the imputed $770,000 obligation to Summit is viewed for accounting purposes as a royalty obligation which will be reduced by Summit's 8% share of BioTime's U.S. PentaLyte sales plus Summit's 60% share of Japanese revenue. Accordingly, BioTime recorded the entire $593,390 paid by Maruishi to Summit for the sublicense as deferred revenue, to be amortized over the remaining life of the patent through 2019. BioTime's 40% share of this payment was collected in October 2005 and the remaining 60% share was recorded as a reduction of the long-term royalty obligation of BioTime to Summit. The balance of the license fees received by BioTime is still being treated as a long-term royalty obligation for financial accounting purposes under EITF 88-18.

Interest on the long-term royalty obligation is accrued monthly, using the effective interest method beginning October 2005, at the rate of 25.2% per annum, which BioTime has determined is the appropriate interest rate when the future cash flows from the transaction are considered. Prior to October 2005, BioTime was accruing interest at a rate of 12% based upon its incremental borrowing rate because the effective interest rate derived from future "deemed payments" could not be reasonably estimated. The effective interest rate will be evaluated annually, or when events occur that have significantly affected the estimate of future cash flows. BioTime has recorded $101,416 and $47,832 of interest expense on the long-term royalty obligation during the nine months ended September 30, 2006 and September 30, 2005, respectively.

5. Shareholders' Deficit

During December 2005, BioTime completed a subscription rights offer (the "2005 Rights Offer") through which BioTime raised gross proceeds of $1,787,144 through the sale of 4,467,862 common shares and 4,467,862 warrants. The common shares and warrants were sold as "units" consisting of one common share and one warrant for $0.40 per unit. Each warrant entitles the holder to purchase one common share for $2.00 per share and will expire on October 31, 2010. BioTime may redeem the warrants by paying $.05 per warrant if the closing price of the common shares on any national securities exchange or the Nasdaq Stock Market exceeds 200% of the exercise price of the warrants for any 20 consecutive trading days.

Certain persons acted as guarantors of the 2005 Rights Offer under a Standby Purchase Agreement pursuant to which they agreed to purchase up to 4,467,862 units if the subscription rights were not fully exercised. In consideration for their agreement, BioTime paid the guarantors $132,000 in cash and issued to them warrants to purchase 600,000 common shares, which were accounted for as costs of the equity financing. The $132,000 was included in accounts payable and accrued expenses as of December 31, 2005. Total cash costs for the Rights Offer, which were recorded as a reduction of the proceeds received, were $379,984. The warrants issued to the guarantors have the same terms as the warrants BioTime sold in the 2005 Rights Offer. The market price of all warrants issued in the 2005 Rights Offer was $0.05 per warrant on the closing date.

During April 1998, BioTime entered into a financial advisory services agreement with Greenbelt Corp., a corporation controlled by Alfred D. Kingsley and Gary K. Duberstein, who are also shareholders of BioTime. The agreement has been renewed each subsequent year ending March 31. For the twelve months ending March 31, 2006, BioTime agreed to pay Greenbelt $45,000 in cash and issue 135,000 common shares. During April 2006, BioTime paid the remaining $45,000 obligation under the agreement for the twelve months ended March 31, 2006 and issued 33,750 common shares. During March 2006, the board of directors approved the renewal of the agreement with Greenbelt for the 12 months ending March 31, 2007. BioTime will pay Greenbelt a cash fee of $90,000 and will issue Greenbelt 200,000 common shares. The common shares will be issued as follows: 150,000 shares on January 2, 2007 for services rendered through December 31, 2006, and 50,000 shares on April 2, 2007 for services rendered from January 1, 2007 through March 31, 2007. The cash fee will be payable as follows: $30,000 on January 2, 2007, $30,000 on April 2, 2007, and $30,000 on October 1, 2007; provided, that BioTime may defer either or both of the cash payments that would otherwise be

due on January 2, 2007 and April 2, 2007 until a date that BioTime may determine, but not later than October 1, 2007. If BioTime elects to defer either or both cash payments, BioTime will issue to Greenbelt 30,000 additional common shares for each deferred payment within ten business days after the date on which the deferred cash payment was originally due.

Activity related to the Greenbelt agreement is presented in the table below:

	Balance included in Accounts Payable at January 1	Add: Cash-based expense accrued	Add: Stock-based expense accrued	Less: Cash payments	Less: Value of stock-based payments	Balance included in Accounts Payable at September 30
2006	$ 65,138	$ 56,250	$ 33,487	$ (45,000)	$ (43,875)	$ 66,000
2005	$ 112,950	$ 45,000	$ 45,275	$ (67,500)	$ (84,200)	$ 51,525

During the nine months ended September 30, 2006 and 2005, BioTime issued to Greenbelt 135,000 and 60,000 common shares, respectively, valued at $43,875 and $84,200.

During the nine months ended September 30, 2006, 63 warrants were exercised for proceeds of $126.

6. Licensing Agreement

On March 24, 2006, BioTime entered into a license agreement with Summit to develop Hextend and PentaLyte in the People's Republic of China, and Taiwan. Summit paid BioTime $500,000 in May, 2006 as the initial consideration for the China and Taiwan license. BioTime also will be entitled to receive 50% of the royalties and any milestone payments received by Summit from any third-party sublicense, excluding the first payment made by a sublicense upon execution of an agreement with Summit. Summit has entered a sublicense agreement with Maruishi for Hextend and PentaLyte in China and Taiwan. Milestone payments of Yen 20,000,000 are payable by Maruishi when the first new drug application for Hextend is filed and when the first clinical study of PentaLyte begins under the sublicense.

BioTime has recorded the $500,000 payment as deferred revenue, as development of PentaLyte has not yet been completed. As the expected completion date is uncertain, BioTime will amortize deferred revenue over the remaining lives of the underlying Hextend and PentaLyte patents, through 2019. Approximately $16,000 has been amortized during the nine months ended September 30, 2006.

7. Net Income (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. For the three and nine months ended

September 30, 2006 and 2005, options to purchase 1,419,644 and 1,352,164 common shares, respectively, and warrants to purchase 7,847,867 and 3,153,191 common shares, respectively, were excluded from the computation of earnings (loss) per share 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.

8. Valuation and Expense Information under SFAS 123(R)

During 1992, BioTime adopted the 1992 Stock Option Plan (the "1992 Plan"). Options granted under the 1992 Plan 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. As of September 30, 2006, options to purchase 184,500 shares had been granted and were outstanding at exercise prices ranging from $3.00 to $11.75 under the 1992 Plan. At September 30, 2006, no options were available for future grants under the 1992 Plan.

During 2002 BioTime adopted a new stock option plan (the "2002 Plan"). The 2002 Plan was amended during December 2004 to increase the number of shares available for the issuance of options. Under the 2002 Plan, BioTime has reserved 2,000,000 common shares for issuance under options granted to eligible persons. No options may be granted under the 2002 Plan more than ten years after the date the 2002 Plan was adopted by the Board of Directors, and no options granted under the 2002 Plan may be exercised after the expiration of ten years from the date of grant. Under the 2002 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 Compensation Committee. The 2002 Plan also permits BioTime to sell common shares to employees subject to vesting provisions under restricted stock agreements that entitle BioTime to repurchase unvested shares at the employee's cost upon the occurrence of specified events, such as termination of employment. BioTime may permit employees or consultants, but not executive officers or directors, who purchase stock under restricted stock purchase agreements to pay for their shares by delivering a promissory note that is secured by a pledge of their shares. Under the 2002 Plan, as of September 30, 2006, BioTime had granted to certain employees, consultants, and directors, options to purchase a total of 1,135,164 common shares at exercise prices ranging from $0.34 to $4.00 per share; and had 864,836 options available for future grants**.**

On January 1, 2006 BioTime adopted SFAS 123(R), which requires the measurement and recognition for all share-based payment awards made to BioTime's employees and directors including employee stock options. The following table summarizes stock-based compensation expense related to employee and director stock options awards for the three and nine months ended September 30, 2006, which was allocated as follows:

	Three Months Ended September 30, 2006 (under SFAS 123(R))	**Nine Months Ended September 30, 2006 (under SFAS 123(R))**
Stock-based compensation expense:		
Research and Development	$ —$	—
General and Administrative	7,913	43,724
Stock-based compensation expense included in operating expense	7,913	43,724

Total stock-based compensation expense	$ 7,913	$ 43,724

The following table compares the net loss and basic and diluted loss per share for the three and nine months ended September 30, 2006 and September 30, 2005 as if the fair value recognition provision of SFAS 123(R) had been applied for both periods as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	**2005**	**2006**	**2005**
Net income (loss) - as reported for the prior period [1]	N/A	$ (415,058)	N/A	$ (1,584,381)
Stock-based compensation expense related to employee stock options [2]	(7,913)	(44,729)	(43,725)	(135,379)
Net income (loss), including the effect of stock-based compensation expense [3]	$ (340,035)	$ (459,787)	$ (1,486,066)	$ (1,719,760)
Net income (loss) per share - as reported for the prior period [1]				
Basic and diluted		$ (0.02)		$ (0.09)
Net income (loss) per share, including the effect of stock-based compensation expense [3]				
Basic and diluted	$ (0.02)	$ (0.03)	$ (0.07)	$ (0.10)

[1] Net loss and net loss per share prior to fiscal 2006 did not include stock-based compensation expense for employee stock options under SFAS 123 because BioTime did not adopt the recognition provisions of SFAS 123.

[2] Stock-based compensation expense prior to fiscal 2006 is calculated based on the pro forma application of SFAS 123.

[3] Net income and net income per share prior to fiscal 2006 represents pro forma information based on SFAS 123.

BioTime adopted SFAS 123(R) using the modified prospective transition method, which requires the application of the accounting standard as of January 1, 2006, the first day of BioTime's fiscal year 2006. BioTime's condensed consolidated financial statements as of and for the three months and nine months ended September 30, 2006, reflect the impact of SFAS 123(R). In accordance with the modified prospective transition method, the condensed consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS 123(R). As of September 30, 2006, total unrecognized compensation costs related to unvested stock options was $19,986, which is expected to be recognized as expense over a weighted average period of approximately 0.60 years.

For all applicable periods, the value of each employee and director stock option was estimated on the date of grant using the Black-Scholes Merton model for the purpose of the pro forma financial disclosures in accordance with SFAS 123.

The weighted-average estimated fair value of stock options granted during the nine months ended September 30, 2006 and 2005 was $0.25 and $0.67 per share, respectively, using the Black-Scholes Merton model with the following weighted-average assumptions:

	Nine Months Ended September 30, 2006	**Nine Months Ended September 30, 2005**
Expected lives in years	5	5
Risk free interest rates	4.79%	4.51%
Volatility	93%	81.0%
Dividend yield	0%	0%

For options granted prior to 2006 and valued in accordance with SFAS 123, the expected life and the expected volatility of the stock options were based upon historical data. Forfeitures of employee stock options were accounted for on an as-incurred basis.

General Option Information

A summary of all option activity for the nine months ended September 30, 2006 is as follows:

	Options available for grant	Number of Shares	Weighted Average Exercise Price
Outstanding, December 31, 2005	887,336	1,477,164	$ 3.31
Granted	(52,500)	52,500	0.34
Exercised	—	—	—
Forfeited/expired	30,000	(110,000)	5.14
Outstanding, September 30, 2006	864,836	1,419,664	$ 3.06

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The following table summarizes significant ranges of outstanding and exercisable options as of September 30, 2006:

	Options Outstanding				Options Exercisable		
	Number Outstanding	Weighted Avg. Remaining Contractual Life (yrs)	Weighted Avg. Exercise Price	Aggregate Intrinsic Value	Number Exercisable	Weighted Avg. Exercise Price	Aggregate Intrinsic Value
$0.34-1.55	214,164	2.68	$ 1.18	$ —	206,664	$ 1.21	$ —
2.00-2.17	601,000	3.22	2.02	—	532,250	2.02	—
3.00-4.95	545,000	0.80	4.00	—	545,000	4.00	—
11.75	59,500	2.54	11.75	—	59,500	11.75	—
$0.34-$11.75	1,419,664	2.18	$ 3.06	$ —	1,343,414	$ 3.13	$ —

Item 2. Management's Discussion and Analysis or Plan of Operation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Since its inception in November 1990, BioTime has been engaged primarily in research and development activities, which have culminated in the commercial launch of Hextend®, our lead product, and a clinical trial of PentaLyte®. Our operating revenues have been generated primarily from licensing fees and from royalties on the sale of Hextend. Our ability to generate substantial operating revenue depends upon our success in developing and marketing or licensing our plasma volume expanders and organ preservation solutions and technology for medical use.

Most of our research and development efforts have been devoted to our first three blood volume replacement products: Hextend, PentaLyte, and HetaCool®. By testing and bringing all three products to the market, we can increase our market share by providing the medical community with solutions to match patients' needs. By developing technology for the use of HetaCool in low temperature surgery, trauma care, and organ transplant surgery, we may also create new market segments for our product line.

Our first product, Hextend, is a physiologically balanced blood plasma volume expander, for the treatment of hypovolemia. Hextend is being distributed in the United States and Canada by Hospira, Inc. and in South Korea by CJ Corp. ("CJ") under exclusive licenses from us. Hospira also has the right to obtain regulatory approval and market Hextend in Latin America and Australia. Summit Pharmaceuticals International Corporation ("Summit") has a license to develop Hextend and PentaLyte in Japan, the People's Republic of China, and Taiwan. Summit has entered into sublicenses with Maruishi Pharmaceutical Co., Ltd. ("Maruishi") to obtain regulatory approval, manufacture, and market Hextend in Japan and Hextend and PentaLyte in China and Taiwan.

Under our license agreements, Hospira and CJ will report sales of Hextend and pay us the royalties and license fees due on account of such sales after the end of each calendar quarter. We recognize such revenues in the quarter in which the sales report is received, rather than the quarter in which the sales took place.

Royalty revenues for the three months ended September 30, 2006 consist primarily of royalties on sales made by Hospira during the period beginning April 1, 2006 and ending June 30, 2006. Royalty revenues recognized for that three-month period were $250,017, a 94% increase from the $128,829 of royalty revenue during the same period last year. The increase in royalties primarily reflects a growth in sales to the United States Armed Forces, although hospital sales also increased.

We expect to receive royalties of $377,564 from Hospira during November 2006, based on Hextend sales during the three months ended September 30, 2006. Royalties increased 109% from royalty revenues of $180,983 received during the same period last year. As in the prior quarter, the increase in royalties primarily reflects a growth in sales to the United States Armed Forces, while hospital sales also

increased. Purchases by the Armed Forces generally take the form of intermittent, large volume orders, and cannot be predicted with certainty. This revenue will be reflected in our financial statements for the fourth quarter of 2006.

Hextend has become the standard plasma volume expander at a number of prominent teaching hospitals and leading medical centers and is part of the Tactical Combat Casualty Care protocol. We believe that as Hextend use proliferates within the leading US hospitals, other smaller hospitals will follow their lead contributing to sales growth.

We have recently completed the patient enrollment and treatment portion of a Phase II clinical trial of PentaLyte in which PentaLyte was used to treat hypovolemia in cardiac surgery, and we have begun processing and compiling the trial data. Our ability to commence and complete additional clinical studies of PentaLyte depends on our cash resources and the costs involved, which are not presently determinable. Clinical trials of PentaLyte in the United States may take longer and may be more costly than the Hextend clinical trials, which cost approximately $3,000,000. The FDA permitted us to proceed directly into a Phase III clinical trial of Hextend involving only 120 patients because the active ingredients in Hextend had already been approved for use in plasma expanders by the FDA in other products. Because PentaLyte contains a starch (pentastarch) that has not been approved by the FDA for use in a plasma volume expander, we had to complete a Phase I clinical trial of PentaLyte, and we are now completing a Phase II clinical trial. We expect our Phase II trial will cost approximately an additional $153,000. A subsequent Phase III trial may involve more patients than the Hextend trials, and we do not know yet the actual scope or cost of the clinical trials that the FDA will require for PentaLyte.

If Hospira obtains a license to manufacture and market PentaLyte under our License Agreement with them, they would reimburse us for all our direct costs incurred in developing PentaLyte. Hospira’s decision whether to license PentaLyte would follow their analysis of the data from our Phase II trial.

Plasma volume expanders containing pentastarch have been approved for use in certain foreign countries including Canada, certain European Union countries, and Japan. The regulatory agencies in those countries may be more willing to accept applications for regulatory approval of PentaLyte based upon clinical trials smaller in scope than those that may be required by the FDA. This would permit us to bring PentaLyte to market overseas more quickly than in the United States, provided that suitable licensing arrangements can be made with multinational or foreign pharmaceutical companies to obtain financing for clinical trials and manufacturing and marketing arrangements.

We are also continuing to develop solutions for low temperature surgery. Once a sufficient amount of data from successful low temperature surgery has been compiled, we plan to seek permission to use Hextend as a complete replacement for blood under near-freezing conditions. We currently plan to market Hextend for complete blood volume replacement at very low temperatures under the registered trademark “HetaCool®” after FDA approval is obtained, although the time frame for such approval is presently uncertain.

We have been awarded a $299,990 research grant by the National Heart, Lung, and Blood Institute division of the National Institutes of Health ("NIH") for use in the development of HetaCool. We are using the grant to fund a project entitled "Resuscitating Blood-Substituted Hypothermic Dogs" at the Texas Heart Institute in Houston under the guidance of Dr. George V. Letsou. Dr. Letsou is Associate Professor of Surgery and Director of the Heart Failure Center at the University of Texas Medical School in Houston, Texas. We were granted $149,994 for the project during 2004 and $149,996 during 2005. Through September 30, 2006, $184,186 of the grant funds had been paid to us. The time period for drawing down the remainder of the grant funds was extended for another year, running through March 31, 2007.

BioTime scientists believe the HetaCool program has the potential to produce a product that could be used in very high fluid volumes (50 liters or more per procedure if HetaCool were used as a multi-organ donor preservation solution or to temporarily replace substantially all of the patient's circulating blood volume) in cardiovascular surgery, trauma treatment, and organ transplantation. However, the cost and time to complete the development of HetaCool, including clinical trials, cannot presently be determined.

Until such time as we are able to complete the development of PentaLyte and HetaCool and enter into commercial license agreements for those products and foreign commercial license agreements for Hextend, we will depend upon royalties from the sale of Hextend by Hospira and CJ as our principal source of revenues.

The amount and pace of research and development work that we can do or sponsor, and our ability to commence and complete clinical trials required to obtain FDA and foreign regulatory approval of products, depends upon the amount of money we have. Future research and clinical study costs are not presently determinable due to many factors, including the inherent uncertainty of these costs and the uncertainty as to timing, source, and amount of capital that will become available for these projects. We have already curtailed the pace of our product development efforts due to the limited amount of funds available, and we may have to postpone further laboratory and clinical studies, unless our cash resources increase through growth in revenues, the completion of licensing agreements, additional equity investment, borrowing or third party sponsorship.

Because our research and development expenses, clinical trial expenses, and production and marketing expenses will be charged against earnings for financial reporting purposes, management expects that there will be losses from operations in the near term.

Hextend®, PentaLyte®, and HetaCool® are registered trademarks of BioTime.

Stock-based Compensation Expense

On January 1, 2006, we adopted Statement of Financial Accounting Standard 123 (revised 2004), "Share-Based Payment" ("SFAS 123(R)") which requires the measurement and recognition of compensation expense for all share-based payment awards made to our directors and employees including employee stock options based on estimated fair values. Stock based compensation expense recognized under SFAS 123(R) for the nine months ended September 30, 2006 was $43,724 which consisted of stock-based compensation expense related to employee and director stock option grants.

BioTime adopted SFAS 123(R) using the modified prospective transition method, which requires the application of the accounting standard as of January 1, 2006, the first day of BioTime's fiscal year 2006. BioTime's condensed consolidated financial statements as of and for the three months ended September 30, 2006, reflect the impact of SFAS 123(R). In accordance with the modified prospective transition method, the condensed consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS 123(R). As of September 30, 2006, total unrecognized compensation costs related to unvested stock options was $19,986, which is expected to be recognized as expense over a weighted average period of approximately 0.60 years.

Upon adoption of SFAS 123(R), we began estimating the value of employee stock options on the date of grant using the Black-Scholes Merton model. Prior to the adoption of SFAS 123(R), the value of each employee stock options was estimated on the date of grant using the Black-Scholes Merton model for the purpose of the pro forma financial information in accordance with SFAS 123. The determination of the fair value of share-based payment awards on the date grant using an option pricing model is affected by our stock price as well assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The use of a Black-Scholes Merton model requires the use of extensive actual employee exercise behavior data and the use of a number of complex assumptions including expected volatility, risk-free interest rate and expected dividend yields. The weighted-average estimated value of employee stock options granted during the nine months ended September 30, 2006 was $0.25 per share using the Black-Scholes Merton model with the following weighted average assumptions:

	Nine Months Ended September 30, 2006
Expected lives in years	5
Risk free interest rates	4.79%
Volatility	93.00%
Dividend yield	0%

The fair value of each option award is estimated on the date of grant using the Black-Scholes Merton option valuation model with the weighted average assumption for volatility, expected term and risk-free rate. The expected term of options grants is derived from historical data on employee exercises and post-vesting employment termination behavior. The risk-free

rate is based on the U.S. treasury rates in effect during the corresponding period of grant. The expected volatility is a blended rate based on both the historical volatility of our stock price and the volatility of certain peer company stock prices.

As stock-based compensation expense recognized in the condensed consolidated statement of operations for the nine months ended September 30, 2006 is based on awards ultimately expected to vest, estimated forfeitures have been accounted for. SFAS 123 (R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience.

If factors change and we employ different assumptions in the application of SFAS 123(R) in future periods, the compensation expense that we record under SFAS 123(R) may differ significantly from what we have recorded in the current period.

Results of Operations

Revenues

During the three months ended September 30, 2006, we recognized $46,979 of license fee revenues related to our license agreements with CJ and Summit. The CJ license fee of $800,000, net of the finder's fees, has been deferred and is being recognized as revenue over the life of the contract, which has been estimated to be approximately eight years based on the current expected life of the governing patent covering BioTime's products in Korea. See Notes 2 and 4 to the condensed financial statements.

For the three months ended September 30, 2006, we recognized $250,017 in royalty revenue, whereas we recognized $128,829 for the three months ended September 30, 2005. This increase of 94% in royalties is attributable to an increase in product sales by Hospira, and primarily reflects a growth in sales to the United States Armed Forces, although hospital sales also increased. Purchases by the Armed Forces generally take the form of intermittent, large volume orders, and cannot be predicted with certainty.

Operating Expenses

Research and development expenses were $304,562 for the three months ended September 30, 2006, compared to $401,144 for the three months ended September 30, 2005. This decrease is chiefly attributable to a $61,468 decrease in outside research expenses associated with our PentaLyte clinical trial, and a decrease of $29,078 in scientific consulting costs. For the nine months ended September 30, 2006, research and development expenses totaled $954,369, compared to $1,205,262 for the nine months ended September 30, 2005. This decrease is due primarily to a decrease of $263,061 in outside research expenses associated with our PentaLyte clinical trial. Research and development expenses include clinical trial expenses, laboratory study expenses, salaries, ongoing prosecution of regulatory applications in the United States, and consultants' fees.

General and administrative expenses increased to $301,924 for the three months ended September 30, 2006 from $242,988 for the three months ended September 30, 2005. The major component of this increase was an increase of $82,851 in salaries allocated to general and administrative expense following cessation of the pay-cuts that had been in effect during the third quarter of 2005. For the nine months ended September 30, 2006, general and administrative expenses totaled $1,139,305, compared to $1,031,918 for the nine months ended September 30, 2005. This increase is due primarily to an increase of $118,300 in salaries allocated to general and administrative expenses, an increase of $22,289 in printing costs, an increase of $37,033 in patent costs, an increase of $13,686 in costs for outside services, and an increase of $18,831 in rent expense. These increases were somewhat offset by a decrease of $55,284 in general and administrative consulting fees, a decrease of $26,840 in office expenses, and a decrease of $23,819 in travel and entertainment expenditures.

Interest and Other Income

For the three months ended September 30, 2006, we incurred net interest and other expense of $30,545, compared to expense of $11,358 for the three months ended September 30, 2005. This increase in expense is due to higher interest expense associated with our imputed royalty obligation under our license agreement with Summit, offset by higher interest income, due to larger cash balances following the 2005 Rights Offer. For the nine months ended September 30, 2006, we incurred net interest and other expense of $74,325, compared to expense of $27,982 for the nine months ended September 30, 2005. This increase in expense is due to an increase in the interest rate used in computing the royalty obligation to Summit, which was raised from 12% to 25%. This increase was somewhat offset by an increase in interest income of $18,348.

Income Taxes

During the three months ended September 30, 2006, we incurred no foreign withholding taxes and no income taxes. With respect to Federal and state income taxes, our effective income tax rate differs from the statutory rate due to the 100% valuation allowance established for our deferred tax assets, which relate primarily to net operating loss carryforwards, as realization of such benefits is not deemed to be likely.

Liquidity and Capital Resources

During December 2005, we completed the 2005 Rights Offer through which we raised gross proceeds of $1,787,144 through the sale of 4,467,862 common shares and warrants. See Note 5 to the financial statements.

We have entered into agreements with Summit to develop Hextend and PentaLyte in Japan, the People’s Republic of China, and Taiwan. Summit has sublicensed to Maruishi the right to manufacture and market Hextend in Japan, and the right to manufacture and market Hextend and PentaLyte in China and Taiwan. Summit paid us $500,000 in May 2006 as the initial consideration for the China and Taiwan license.

In April 2006, we entered into a Revolving Line of Credit Agreement (the “Credit Agreement”) with Alfred D. Kingsley, Cyndel & Co., Inc., and George Karfunkel, investors in BioTime, under which we may borrow up to $500,000 for working capital purposes at an interest rate of 10% per annum. We also have a $43,600 line of credit from American Express. See Note 3 to the financial statements.

The major components of our net cash used in operations of approximately $1,072,000 in the first nine months of 2006 can be summarized as follows: total outflows consist of our net loss of approximately $1,486,000, offset by cash inflows of $500,000 from our product development and licensing agreements with Summit and royalty revenues from the sale of Hextend.

At our projected rate of spending, which includes possible spending cuts, we expect that our cash on hand, anticipated royalties from the sale of Hextend, licensing fees, and our available revolving line of credit will allow us to operate through September 30, 2007.

We will need to obtain additional equity capital from time to time in the future, as long as the fees we receive from licensing our products to pharmaceutical companies, profits from sales of our products, and royalty revenues are not sufficient to fund our operations. 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 our products and technology, the timing of the receipt of license fee payments, and the future availability and terms of equity financing, are uncertain. The unavailability or inadequacy of financing or revenues to meet future capital needs could force us to modify, curtail, delay or suspend some or all aspects of our planned operations.

We have no contractual obligations as of September 30, 2006, with the exception of a fixed, non-cancelable operating lease on our office and laboratory facilities in Emeryville, California. Under this lease, we are committed to make payments of $10,488 per month, increasing 3% annually, plus our pro rata share of operating costs for the building and office complex, through May 31, 2010.

Item 3. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, including our principal executive officers and our principal financial officer, have reviewed and evaluated our disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-QSB. Following this review and evaluation, management has collectively determined that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report on Form 10-QSB.

Changes in Internal Controls

There were no changes in our internal controls over financial reporting during the quarter ended September 30, 2006 that materially affected or that could reasonably likely materially affect our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 6. Exhibits

Exhibit Numbers	Description
3.1	Articles of Incorporation, as Amended †
3.2	Amendment of Articles of Incorporation ****
3.3	By-Laws, As Amended.#
4.1	Specimen of Common Share Certificate.+
4.2	Form of Warrant Agreement between BioTime, Inc. and American Stock Transfer & Trust Company++
4.3	Form of Amendment to Warrant Agreement between BioTime, Inc. and American Stock Transfer & Trust Company. +++
4.4	Form of Warrant+++
10.1	Intellectual Property Agreement between BioTime, Inc. and Hal Sternberg.+
10.2	Intellectual Property Agreement between BioTime, Inc. and Harold Waitz.+
10.3	Intellectual Property Agreement between BioTime, Inc. and Judith Segall.+
10.4	Intellectual Property Agreement between BioTime, Inc. and Steven Seinberg.*
10.5	Agreement between CMSI and BioTime Officers Releasing Employment Agreements, Selling Shares, and Transferring Non-Exclusive License.+
10.6	Agreement for Trans Time, Inc. to Exchange CMSI Common Stock for BioTime, Inc. Common Shares.+
10.7	2002 Stock Option Plan, as amended.##
10.8	Exclusive License Agreement between Abbott Laboratories and BioTime, Inc. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment).###
10.9	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).^
10.10	

	Warrant Agreement, dated March 27, 2002, between BioTime, Inc. and Alfred D. Kingsley*
10.11	Warrant for the Purchase of Common Shares, dated August 12, 2002, issued to Ladenburg Thalmann & Co. Inc.**
10.12	Exclusive License Agreement between BioTime, Inc. and CJ Corp.***
10.13	Hextend and PentaLyte Collaboration Agreement between BioTime, Inc. and Summit Pharmaceuticals International Corporation‡
10.14	Lease dated as of May 4, 2005 between BioTime, Inc. and Hollis R& D Associates ‡‡
10.15	Addendum to Hextend and PentaLyte Collaboration Agreement between BioTime, Inc. and Summit Pharmaceuticals International Corporation‡‡‡
10.16	Amendment to Exclusive License Agreement Between BioTime, Inc. and Hospira, Inc.††
10.17	Hextend and PentaLyte China License Agreement between BioTime, Inc. and Summit Pharmaceuticals International Corporation†††
10.18	Revolving Credit Line Agreement between BioTime, Inc, Alfred D. Kingsley, Cyndel & Co., Inc., and George Karfunkel, dated April 12, 2006. (Incorporated by reference to BioTime's Form 10-K for the year ended December 31, 2005)††††
10.19	Security Agreement executed by BioTime, Inc., dated April 12, 2006. (Incorporated by reference to BioTime's Form 10-K for the year ended December 31, 2005) ††††
10.20	Form of Revolving Credit Note of BioTime, Inc. in the principal amount of $166,666.67 dated April 12, 2006. ††††
31	Rule 13a-14(a)/15d-14(a) Certification ++++
32	Section 1350 Certification ++++

† Incorporated by reference to BioTime'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 Registration Statement on Form S-2, File Number 333-109442, filed with the Securities and Exchange Commission on October 3, 2003, and Amendment No.1 thereto filed with the Securities and Exchange Commission on November 13, 2003.

+++ Incorporated by reference to Registration Statement on Form S-2, File Number 333-128083 filed with the Securities and Exchange Commission on September 2, 2005.

Incorporated by reference to Registration Statement on Form S-8, File Number 333-101651 filed with the Securities and Exchange Commission on December 4, 2002 and Registration Statement on Form S-8, File Number 333-122844 filed with the Securities and Exchange Commission on February 23, 2005.

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

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

* Incorporated by reference to BioTime's Form 10-K for the year ended December 31, 2001.

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**** Incorporated by reference to BioTime's Form 10-QSB for the quarter ended June 30, 2006.

++++Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BIOTIME, INC.

Date: November 14, 2006	By:	/s/ Judith Segall Judith Segall Vice-President - Operations Member, Office of the President*
Date: November 14, 2006	By:	/s/ Hal Sternberg Hal Sternberg Vice-President - Research Member, Office of the President*
Date: November 14, 2006	By:	/s/ Harold Waitz Harold Waitz Vice-President - Regulatory Affairs Member, Office of the President*
Date: November 14, 2006	By:	/s/ Steven A. Seinberg Steven A. Seinberg Chief Financial Officer

* The Office of the President is comprised of the three above-referenced executive officers of BioTime who collectively exercise the powers of the Chief Executive Officer

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