SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2001

OR

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

For the transition period from ---------- to ----------

Commission file number 1-12830

BioTime, Inc.
(Exact name of registrant as specified in its charter)

California	**94-3127919**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

935 Pardee Street
Berkeley, California 94710
(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No__

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. **11,500,845 common shares, no par value, as of May 11, 2001.**

PART 1--FINANCIAL INFORMATION

Statements made in this Report that are not historical facts may constitute forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those discussed. Such risks and uncertainties include but are not limited to those discussed in this report under Item 1 of the Notes to Financial Statements, and in BioTime's Annual Report on Form 10-K filed with the Securities and Exchange Commission. Words such as " expects," "may," "will," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and similar expressions identify forward-looking statements.

Item 1. Financial Statements

BIOTIME, INC.
(A Development Stage Company)

CONDENSED BALANCE SHEETS
(Unaudited)

	March 31, 2001	December 31, 2000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 321,512	$ 1,318,338
Prepaid expenses	99,289	122,648
Other current assets	251,108	
Total current assets	671,909	1,440,986
EQUIPMENT, Net of accumulated depreciation of $371,553 and $352,104	208,626	226,598
DEPOSITS AND OTHER ASSETS	9,900	9,900
TOTAL ASSETS	$ 890,435	$ 1,677,484
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 136,433	$ 359,749
COMMITMENTS		
SHAREHOLDERS' EQUITY:		
Preferred Shares, no par value, undesignated as to Series, authorized 1,000,000 shares; none outstanding in 1999 and 1998		
Common Shares, no par value, authorized 40,000,000 shares; issued and outstanding shares; 11,500,845 and 11,426,604	28,748,013	28,360,007
Contributed Capital	93,972	93,972
Deficit accumulated during development stage	(28,087,983)	(27,136,244)
Total shareholders' equity	754,002	1,317,735

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 890,435	$ 1,677,484

See notes to financial statements.

BIOTIME, INC.
(A Development Stage Company)

CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000	Period from Inception (November 30, 1990) to March 31, 2001
REVENUE:			
License fee	$ -	$ -	$ 2,500,000
Royalty from product sales	32,695	5,732	85,187
Total revenue	32,695	5,732	2,585,187
EXPENSES:			
Research and development	(553,892)	(909,930)	(20,499,242)
General and administrative	(436,997)	(475,468)	(11,903,382)
Total expenses	(990,889)	(1,385,398)	(32,402,624)
INTEREST AND OTHER INCOME:	6,455	59,719	1,754,285
NET LOSS	$ (951,739)	$ (1,319,947)	$ (28,063,152)
BASIC AND DILUTED LOSS PER SHARE	$ ($0.08)	$ (0.12)	
COMMON AND EQUIVALENT SHARES USED IN COMPUTING PER SHARE AMOUNTS:			
BASIC AND DILUTED	11,470,054	10,891,797	

See notes to financial statements.

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF SHAREHOLDERS' EQUITY

	Series A Convertible Preferred Shares		Common Shares			
	Number of Shares	Amount	Number of Shares	Amount	Contributed Capital	Deficit Accumulated During Development Stage
BALANCE, November 30, 1990 (date of inception)	--	--	--	--	--	--
NOVEMBER 1990 - JUNE 1991						
Common shares issued for cash			1,312,758	$ 263		
Common shares issued for stock of a separate entity at fair value			1,050,210	137,400		
Contributed equipment at appraised value					$ 16,425	
Contributed cash					77,547	
Common shares issued for cash less offering costs			101,175	54,463		
Common shares issued for stock of a separate entity at fair value			100,020	60,000		
JULY 1991 - JUNE 1992						
Common shares issued for services performed			30,000	18,000		
Preferred shares issued for cash less offering costs of $125,700	360,000	$474,300				
JULY 1992 - JUNE 1994						
Common shares issued for cash less offering costs of $1,015,873			2,173,500	4,780,127		
Preferred shares converted into common shares	(360,000)	(474,300)	360,000	474,300		
Dividends declared and paid on preferred shares						$(24,831)
Common shares issued for cash less						

offering costs of $865,826			2,805,600	3,927,074	
JULY 1994 - JUNE 1995:					
Common shares repurchased with cash			(253,800)	(190,029)	
JULY 1995-JUNE 1996:					
Common shares issued for cash			608,697	1,229,670	
Common shares repurchased with cash			(18,600)	(12,693)	
Common shares warrants and options granted for services				356,000	

See notes to financial statements. (Continued)

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF SHAREHOLDERS' EQUITY

	Series A Convertible Preferred Shares		Common Shares			Deficit Accumulated
	Number of Shares	Amount	Number of Shares	Amount	Contributed Capital	During Development Stage
JULY 1996 - JUNE 1997:						
Common shares issued for cash less offering costs of $170,597			849,327	5,491,583		
Common shares issued for cash (exercise of options and warrants)			490,689	1,194,488		
Common shares warrants and options granted for service				105,000		
JULY 1997 - JUNE 1998:						
Common shares issued for cash (exercise of options)			337,500	887,690		
Common shares warrants and options granted for service				38,050		
Common shares issued for services			500	6,250		
JULY 1998 - DECEMBER 1998:						
Common shares issued for cash (exercise of options and warrants)			84,000	395,730		
Common shares options granted for services				50,000		
Common shares issued for services			1,500	18,750		
NET LOSS						(16,706,505)
BALANCE AT DECEMBER 31, 1998	-	-	10,033,076	19,022,116	93,972	(16,731,336)
Common shares issued for cash (less offering costs of $128,024)			751,654	7,200,602		
Common shares issued for cash and exchange for 2,491 common shares which were canceled (exercise of options)			65,509	199,810		
Common shares issued for services			792	9,900		
Common shares warrant donated				552,000		
Common shares issued for cash (exercise of warrant)			40,000	20,000		
Options granted for services				195,952		
NET LOSS						(5,479,884)
BALANCE AT DECEMBER 31, 1999	-	-	10,891,031	27,200,380	93,972	(22,211,220)

See notes to financial statements. (Continued)

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF SHAREHOLDERS' EQUITY

	Series A Convertible Preferred Shares		Common Shares			Deficit Accumulated
	Number of Shares	Amount	Number of Shares	Amount	Contributed Capital	During Development Stage
Common Shares issued for services			17,661	131,525		
Exercise of Options			51,000	51,000		
Exercise of Warrants (less issuance cost of $36,176)			466,912	864,964		
Options granted for services				112,138		

NET LOSS						(4,925,024)
BALANCE AT DECEMBER 31, 2000	-	-	11,426,604	28,360,007	93,972	(27,136,244)
Common Shares issued for services - unaudited			16,292	126,175		
Common shares issued for cash and exchange for 5,590 common shares which were canceled (exercise of options) - unaudited			57,949	16,500		
Warrants granted for services - unaudited			50,000	254,595		
Options granted for services - unaudited				(9,264)		
NET LOSS						(951,739)
BALANCE AT MARCH 31, 2001	-	$ -	11,500,845	$28,748,013	$ 93,972	$ (28,087,983)

See notes to financial statements. (Concluded)

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000	Period from Inception (November 30, 1990) to March 31, 2001
OPERATING ACTIVITIES:			
Net loss	$ (951,739)	$ (1,319,947)	$ (28,063,152)
Adjustments to reconcile net loss to net cash used in operating activities:			
Deferred revenue			(1,000,000)
Depreciation	19,449	18,254	371,554
Cost of Donation - warrants			552,000
Cost of services - shares, options and warrants	120,398	160,527	1,161,963
Supply reserves			200,000
Changes in operating assets and liabilities:			
Research and development supplies on hand			(200,000)
Prepaid expenses and other current assets	23,359	11,397	(99,290)
Deposits and other assets			(9,900)
Accounts payable	(223,316)	(468,157)	136,433
Deferred revenue			1,000,000
Net cash used in operating activities	(1,011,849)	(1,597,926)	(25,950,392)
INVESTING ACTIVITIES:			
Sale of investments			197,400
Purchase of short-term investments			(9,946,203)
Redemption of short-term investments			9,946,203
Purchase of equipment and furniture	(1,477)	(7,503)	(563,754)
Net cash used in investing activities	(1,477)	(7,503)	(366,354)
FINANCING ACTIVITIES:			
Issuance of preferred shares for cash			600,000
Preferred shares placement costs			(125,700)
Issuance of common shares for cash			23,701,732
Common shares placement costs			(2,216,497)
Net proceeds from exercise of common share options and warrants	16,500		4,828,729
Contributed capital - cash			77,547
Dividends paid on preferred shares			(24,831)
Repurchase of common shares			(202,722)
Net cash provided by financing activities	16,500	-	26,638,258
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(996,826)	(1,605,429)	321,512
CASH AND CASH EQUIVALENTS:			
At beginning of period	1,318,338	5,292,806	--
At end of period	$ 321,512	3,687,377	$ 321,512

See notes to financial statements. (Continued)

BIOTIME, INC.
(A Development Stage Company)

STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000	Period from Inception (November 30, 1990) to March 31, 2001
NONCASH FINANCING AND INVESTING ACTIVITIES:			
Receipt of contributed equipment			$ 16,425
Issuance of common shares in exchange for shares of common stock of Cryomedical Sciences, Inc. in a stock-for-stock transaction			$ 197,400
Granting of options and warrants for services	$ 254,595	$ 150,427	$ 1,129,735
Issuance of common shares in exchange for services	$ 126,175	$ 10,100	$ 292,600

See notes to financial statements. (Concluded)

BIOTIME, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

1. GENERAL AND DEVELOPMENT STAGE ENTERPRISE

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

The balance sheet as of March 31, 2001, the statements of operations for the three months ended March 31, 2001 and 2000 and the period from inception (November 30, 1990) to March 31, 2001, the statement of shareholders' equity for the three month period ended March 31, 2001 and the period from inception (November 30, 1990) to March 31, 2001, and the statements of cash flows for the three months ended March 31, 2001 and 2000 and the period from inception (November 30, 1990) to March 31, 2001 have been prepared by the Company without audit. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial position, results of operations, shareholders' equity and cash flows at March 31, 2001 and for all periods presented have been made. The balance sheet as of December 31, 2000 is derived from the Company's audited financial statements as of that date. The results of operations for the period ended March 31, 2001 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 the Company's Form 10-K for the year ended December 31, 2000.

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

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

Development Stage Enterprise – Since inception, the Company has been engaged in research and development activities in connection with the development of synthetic plasma expanders, blood volume substitute solutions and organ preservation products. The Company has limited operating revenues and has incurred operating losses of $28,063,152 from inception to March 31, 2001. The successful completion of the Company's product development program and, ultimately, achieving profitable operations is dependent upon future events including maintaining adequate capital to finance its future development activities, obtaining regulatory approvals for the products it develops and achieving a level of revenues adequate to support the Company's cost structure.

Reclassification – Certain prior year balances have been reclassified to conform to current year presentation.

2. RECENTLY ISSUED ACCOUNTING STANDARDS

Recently issued accounting standards – In the first quarter of fiscal 2001, the Company adopted the Financial Accounting Standards Board issued Statement of Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," (SFAS 133) which establishes accounting and reporting standards for derivative instruments and for hedging activities. SFAS 133 requires that entities recognize all derivatives as either assets or liabilities and measure those instruments at fair value. Adoption of SFAS 133 did not have a significant impact on the results for the first three months of the fiscal year.

3. LICENSE AGREEMENTS

Abbott Laboratories

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

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

In addition to the license fees, Abbott pays the Company a royalty on annual net sales of Hextend. The royalty rate is 5% plus an additional .22% for each increment of $1,000,000 of annual net sales, up to a maximum royalty rate of 36%. Abbott's obligation to pay royalties on sales of Hextend will expire in the United States or Canada when all patents protecting Hextend in the applicable country expire and any third party obtains certain regulatory approvals to market a generic equivalent product in that country.

The Company recognizes such revenues in the quarter in which the sales report is received, rather than the quarter in which the sales took place, as the Company does not have sufficient sales history to accurately predict quarterly sales. Revenues for the three months ended March 31, 2001 include royalties on sales made by Abbott during three months ended December 31, 2000. Royalties on sales made during the first quarter of 2001 will not be recognized by the Company until the second quarter.

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

Horus

On February 13, 2001, BioTime, Inc. and Horus B.V. ("Horus"), a subsidiary of Akzo Nobel, N.V. ("Akzo") entered into an Exclusive License Agreement (the "Agreement") under which BioTime has granted to Horus an exclusive license to manufacture and sell Hextend in all parts of the world except the United States, Canada and Japan. Horus may also acquire additional licenses to manufacture and sell other BioTime plasma expander products. Under the Agreement, Horus has agreed to pay BioTime an initial license fee of $4,000,000, plus up to $5,500,000 in additional license fees upon the attainment of certain milestones. BioTime will also earn specified royalties under the Agreement.

Horus will be responsible for obtaining regulatory approval for the use of Hextend in those countries in which it plans to market the product, except that BioTime will continue to process its pending application for regulatory approval in Sweden.

Horus' obligations under the License Agreement are conditioned upon the confirmation of certain manufacturing and supply arrangements. BioTime's obligations are conditioned upon its receipt of the initial license fee payment, and it has the right to terminate the License Agreement if it does not receive that payment. As of March 31, 2001, the payment had not been received.

4. LINE OF CREDIT

During March 2001, BioTime entered into a Revolving Line of Credit Agreement (the "Credit Agreement") with Alfred D. Kingsley, an investor and consultant to the Company, under which BioTime may borrow up to $1,000,000 for working capital purposes. Amounts borrowed under the Credit Agreement will be due in one year or when BioTime receives at least $2,000,000 through the sale of capital stock, loans from other lenders, fees under licensing agreements, or any combination of those sources. Interest on borrowings shall accrue at a rate of 10% per annum and is payable with principal on the maturity date. Mandatory prepayments of principal will be due to the extent that the Company receives funds from any one or more of those sources in excess of $1,000,000 but less than $2,000,000. As of March 31, 2001, no amount had been drawn down on the line of credit.

In consideration for making the Line of Credit available, the Company issued to Mr. Kingsley a Warrant to purchase 50,000 common shares at an exercise price of $8.31. The total fair market value of this warrant, estimated to be $254,595, will be amortized over the one year term of the Credit Agreement. The fair market value of the warrant is recorded in common stock, with a corresponding entry in deferred financing costs, which is included in other current assets. Deferred financing costs will be amortized over the life of the agreement to interest expense.

5. SHAREHOLDERS' EQUITY

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

Under the Plan, options to purchase common shares may be granted to employees, directors and certain consultants at prices not less than the fair market value at date of grant for incentive stock options and not less than 85% of fair market value for other stock options. These options expire five to ten years from the date of grant and may be fully exercisable immediately, or may be exercisable according to a schedule or conditions specified by the Board of Directors or the Option Committee. As of March 31, 2001, 460,500 shares were available for future grants under the Option Plan; and options to purchase 426,461 shares had been granted and were outstanding at exercise prices ranging from $1.13 to $18.25. Of the options granted to consultants, options to purchase 60,000 common shares vest upon achievement of certain

milestones. The Company is amortizing into compensation the estimated fair value of the options granted to consultants ($316,266 at March 31, 2001), over the period estimated to achieve such milestones (one to two years), subject to remeasurement at the end of each reporting period. A reduction in compensation expense was recognized on these options during the three months ended March 31, 2001 of approximately $9,264 and was recorded as a reduction to research and development expense.

During April 1998, the Company entered into a financial advisory services agreement with Greenbelt Corp. The agreement provided for an initial payment of $90,000 followed by an advisory fee of $15,000 per month that was paid quarterly. On August 11, 2000, the Board of Directors approved the renewal of this agreement for a period of twelve months ending March 31, 2001, but instead of cash compensation Greenbelt Corp. will receive 30,000 common shares in four quarterly installments of 7,500 shares each. The value of the quarterly installments will be recognized in the quarter they are earned. Under the agreement, upon the request of Greenbelt Corp., the Company will file a registration statement to register the shares for public sale.

6. NET INCOME PER SHARE

Basic earnings (loss) per share excludes dilution and is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects the potential dilution from securities and other contracts which are exercisable or convertible into common shares. Diluted earnings (loss) per share for the three months ended March 31, 2001 exclude any effect from such securities as their inclusion would be antidilutive. As a result, there is no difference between basic and diluted calculations of loss per share for all periods presented.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

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

Overview

Since its inception in November 1990, the Company has been engaged primarily in research and development activities which have culminated in the commercial launch of Hextend, its lead product, and a clinical trial of PentaLyte. The Company's operating revenues have been generated primarily from licensing fees, including $2,500,000 received from Abbott Laboratories for the right to manufacture and market Hextend in the United States and Canada. BioTime recently entered into a license agreement with Horus, B.V., a subsidiary of Akzo Nobel, N.V., under which BioTime expects to receive up to $9,500,000 of license fees for the right to manufacture and market Hextend overseas. As a result of the developmental nature of its business and the limited sales of its product, since the Company's inception in November 1990 it has incurred $28,063,152 of losses. The Company's ability to generate substantial operating revenue depends upon its success in developing and marketing or licensing its plasma volume expanders and organ preservation solutions and technology for medical use. Most of the Company's research and development efforts have been devoted to the Company's first three blood volume replacement products: Hextend, PentaLyte, and HetaCool. By testing and bringing all three products to the market, BioTime can increase its market share by providing the medical community with solutions to match patients' needs. By developing technology for the use of HetaCool in low temperature surgery, trauma care, and organ transplant surgery, BioTime may also create new market segments for its product line.

The Company's first product, Hextend(R), is a physiologically balanced blood plasma volume expander, for the treatment of hypovolemia. Hextend is being sold in the United States by Abbott Laboratories under an exclusive license from the Company. Abbott also has the right to sell Hextend in Canada, where an application for marketing approval is pending. The Company has granted Horus, an exclusive license to manufacture and sell Hextend in all other parts of the world except Japan. Sales of Hextend by Horus are expected to begin after regulatory approval to market Hextend is obtained in the various countries under its license. Abbott and Horus also have a right to obtain licenses to manufacture and sell other BioTime products.

Under its License Agreement with the Company, Abbott will report sales of Hextend and pay the Company the royalties and license fees due on account of such sales within 90 days after the end of each calendar quarter. The Company recognizes such revenues in the quarter in which the sales report is received, rather than the quarter in which the sales took place, as the Company does not have sufficient sales history to accurately predict quarterly sales. Hextend sales are still in the ramp- up phase. Revenues for the three months ended March 31, 2001 were $32,695 and consist of the royalties on sales made by Abbott during the period beginning October 1, 2000 and ending December 31, 2000. Sales of Hextend during the fourth quarter of 2000 may reflect the purchasing practices of certain wholesale distributors who increase their purchases of inventory during the last month of the year, with a corresponding reduction in purchases during the first quarter of the new year. As part of its marketing efforts, Abbott has very recently committed substantially greater resources to its Hextend sales force.

Because Hextend is a surgical product, sales will be determined by anesthesiologists, surgeons practicing a variety of specialties, and hospital pharmacists. Abbott's marketing strategy is designed to reach this target customer base through sales calls and an advertising campaign focused on the physiological basis of using a plasma-like substance to replace lost blood volume and the ability of Hextend to support vital physiological processes.

As part of the marketing program, Abbott and the Company have financed a number of studies showing the advantages of receiving Hextend and other BioTime products during surgery. As these studies are completed, the results will be presented at medical conferences and articles will be written for publication in medical journals. The Company is also aware of independent studies using Hextend that are being conducted by physicians and hospitals, who may publish their findings in medical journals. Horus is expected to conduct marketing studies as well after it obtains regulatory approval and begins to market Hextend. As these studies are completed, the results will be presented at medical conferences and articles will be written for publication in medical journals. The outcome of the planned medical studies and timing of the publication of the results could have an effect on Hextend sales.

The results of recent studies describing the importance of Hextend in the treatment of hypovolemia (low blood volume) in surgery, trauma and shock have been presented at the Society for Critical Care Medicine, held in San Francisco during February 2001, and the 21st International Symposium on Intensive Care and Emergency Medicine held during March 2001, in Brussels, Belgium. Compelling evidence describing the maintenance of kidney function when using Hextend to treat hypovolemia during cardiovascular surgery was presented at the Society of Cardiovascular Anesthesiologists held in Vancouver early in May 2001. Abbott sales people attended, and there was an exhibit promoting Hextend.

Other important findings have been submitted for upcoming meetings such as the American Society of Anesthesiologists in New Orleans in October 2001. Articles discussing laboratory studies using Hextend and PentaLyte have appeared in the February 2001 edition of Anesthesia and Analgesia. Another article featuring the results of the Company's clinical study of elderly surgical patients, which compared lactated Ringer's and Hextend to saline and hetastarch in saline in the treatment of hypovolemia, has been accepted for publication by a peer reviewed journal. In this study, patients treated with Hextend had favorable outcomes in which electrolyte and acid-base balance was maintained.

Abbott is also working with hospitals to have Hextend approved for use and added to hospital formularies, and has obtained formulary committee approval in hundreds of hospitals. Inclusion on hospital formularies is important because it enables physicians to obtain Hextend without the need to special order it. Obtaining formulary approval can be a lengthy process and requires diligent efforts by the sales force who not only provide Hextend to the hospital but also can provide the formulary committee with necessary information showing that the product is safe and effective.

The Company expects Hextend sales to continue to grow as Abbott continues to augment its marketing efforts, as the number of hospital formularies that have approved Hextend increases, and as surgeons and anaesthesiologists become more familiar with the benefits that can be attained for their patients by using Hextend in operating rooms around the world.

Abbott has concentrated on establishing Hextend as the standard plasma volume expander at prominent teaching hospitals and leading medical centers, such as Duke University Medical Center in Durham, North Carolina and Columbia-Presbyterian Medical Center in New York, New York, which have switched to Hextend from 6% hetastarch in saline. BioTime feels that as Hextend use proliferates withing the leading US hospitals, other smaller hospitals will follow their lead and accelerate sales growth.

The Company has completed a Phase I clinical trial of PentaLyte and is planning the next phase of its clinical trials in which PentaLyte will be used to treat hypovolemia in surgery.

The Company is also continuing to develop solutions for low temperature surgery. Once a sufficient amount of data from successful low temperature surgery has been compiled, the Company plans to seek permission to use Hextend as a complete replacement for blood under near-freezing conditions. BioTime currently plans to market Hextend for complete blood volume replacement at very low temperatures under the registered trade mark "HetaCool(R)" after FDA approval is obtained.

BioTime has recently launched a research program using HetaCool in animal models of trauma at the State University of New York Health Science Center in Brooklyn. Preliminary laboratory results there have already supported the feasibility of using HetaCool to treat subjects following severe hemorrhage. The use of HetaCool at near-freezing temperatures also will be studied in animal models of cardiovascular surgery at the Texas Heart Institute in Houston.

BioTime scientists believe that 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 an organ preservation solution or to temporarily replace substantially all of the patient's circulating blood volume) in cardiovascular surgery, trauma treatment, and organ transplantation. BioTime is scheduled to present some of its laboratory studies on HetaCool at Combat Fluid Resuscitation 2001, to be held in Bethesda, MD in June 2001. The conference is sponsored by the Office of Naval Research, the U.S. Army Medical Research and Materiel Command, and the Department of Surgery and the Department of Military and Emergency Medicine of the Uniformed Services University of the Health Sciences. Presentations of other civilian and military sponsored clinical and laboratory research using Hextend to treat hypovolemia during trauma are anticipated as well.

Abbott and Horus each have an option to obtain a license to market PentaLyte and HetaCool in their respective territories, and BioTime would receive additional license fees if those options are exercised, in addition to royalties on subsequent sales of those products.

In order to commence clinical trials for regulatory approval of new products or new therapeutic uses of products, it will be necessary for the Company to prepare and file with the FDA an Investigational New Drug Application ("IND") or an amendment to expand a previous filing.

Filings with foreign regulatory agencies will be required to commence clinical trials overseas. The Company's application to market Hextend in Canada has been found acceptable for review as a New Drug Submission by the Canadian Health Protection Branch (HPB), and the Company is currently awaiting completion of HPB's review of that application. During the third quarter of 2000, the Company filed its first application for approval in a European Union member nation, Sweden. Regulatory approvals for other countries that are members of the European Union may be obtained through a mutual recognition process. If approvals can be obtained in the requisite number of member nations, then the Company would be permitted to market Hextend in all 16 member nations.

Under its License Agreement with BioTime, Horus will seek regulatory approval in other European Union nations as well as in other non-European Union countries.

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

Results of Operations

From inception (November 30, 1990) through March 31, 2001, the Company recognized $2,500,000 of license fee revenues and $85,187 in royalties from Hextend sales. For the three months ended March 31, 2001, no license fee revenue based on product sales was earned or recognized, and $32,695 in royalties from product sales was recognized. For the three months ended March 31, 2000, no license fee revenue based on product sales was earned or recognized, and $5,732 in royalties from product sales was recognized.

From inception (November 30, 1990) through March 31, 2001, the Company incurred $20,499,242 of research and development expenses. Research and development expenses were $553,892 for the three months ended March 31, 2001, compared to $909,930 for the three months ended March 31, 2000. Research and development expenses decreased because no clinical trials were conducted during the first quarter of 2001. Research and development expenses include laboratory study expenses, clinical trial expenses, salaries, preparation of regulatory applications in the United States and Europe, manufacturing of solution for trials, and consultants' fees. It is expected that research and development expenses will increase as the Company commences new clinical studies of its products.

From inception (November 30, 1990) through March 31, 2001, the Company incurred $11,903,382 of general and administrative expenses. General and administrative expenses were $436,997 for the three months ended March 31, 2001, compared to $475,468 for the three months ended March 31, 2000.

The decrease in general and administrative expenses in 2001 is attributable to a decrease in the general operations of the Company. General and administrative expenses include salaries, consultants' fees, and general operating expenses.

Liquidity and Capital Resources

Since inception, the Company has primarily financed its operations through the sale of equity securities and licensing fees, and at March 31, 2001 the Company had cash and cash equivalents of approximately $321,000. The Company expects to receive a $4,000,000 license fee from Horus when Horus confirms certain manufacturing and hydroxyethyl starch supply arrangements needed to manufacture Hextend. Horus is working to put those arrangements in place, but there can be no assurance that those arrangements will be completed. In the meantime, BioTime may borrow up to $1,000,000 for working capital purposes under a Revolving Line of Credit Agreement (the "Credit Agreement") with Alfred D. Kingsley, an investor and consultant to the Company.

Amounts borrowed under the Credit Agreement will bear interest at 10% per annum and will be due in one year or when BioTime receives at least $2,000,000 through the sale of capital stock, loans from other lenders, fees under licensing agreements, or any combination of those sources. Mandatory prepayments of principal will be due to the extent that the Company receives funds from any one or more of those sources in excess of $1,000,000 but less than $2,000,000, and the amount of any such mandatory prepayments of principal will reduce the maximum amount available under the Credit Agreement and will not be available for future borrowings. The Company will have the right to make voluntary prepayments of principal, that would otherwise not be due, without penalty or premium but with accrued interest, at any time, and any amounts voluntary prepaid will be available for future borrowings, so long as the Company is not in default under the Credit Agreement and the outstanding principal balance of loaned under the Credit does not exceed $1,000,000.

Following receipt of the initial $4,000,000 license fee payment from Horus, BioTime will repay any loans under the Credit Agreement. BioTime will be entitled to receive $5,500,000 in additional license fees from Horus upon the attainment of certain milestones pertaining to the commencement of sales in the European Union and the issuance of certain European patents. The date on which those license fees will be earned cannot be determined, but none is payable earlier than February 13, 2002. In addition, BioTime may receive licensing fees for PentaLyte and HetaCool if Horus exercises its right obtain licenses to manufacture and market those products. Horus may exercise its right to obtain a license for PentaLyte or HetaCool within 30 days after BioTime makes its first regulatory filing for the product in a European Union country.

BioTime will need additional funds, including the license fees receivable from Horus and additional debt or equity capital, to continue its current operations, to begin clinical trials of PentaLyte, 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. The amount of license fees and royalties that may be earned through the licensing and sale of the Company's products and technology, the timing of the receipt of license fee payments, and the future availability and terms of equity and debt financing, is uncertain. The unavailability or inadequacy of financing or revenues to meet future capital needs could force the Company to modify, curtail, delay or suspend some or all aspects of its planned operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company did not hold any market sensitive instruments as of March 31, 2001, December 31, 2000 or March 31, 2000.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports of Form 8-K

(a) Exhibits.

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

10.14 1992 Stock Option Plan, as amended.##

10.15 Employment Agreement dated April 1, 1997 between the Company and Ronald S. Barkin.^

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

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

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

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

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

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

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

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

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

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

10.26 Exclusive License Agreement between Hours, B.V. and BioTime, Inc. (Portions of this exhibit have been omitted pursuant to a request for confidential treatment).††

10.27 Guaranty of Akzo Nobel, N.V.††

10.28 Revolving Line of Credit Agreement between BioTime, Inc. and Alfred D. Kingsley‡‡

10.29 Warrant Agreement between BioTime, Inc. and Alfred D. Kingsley‡‡

23.1 Consent of Deloitte & Touche LLP‡‡

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

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

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

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

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

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

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

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

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

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

‡ Incorporated by reference to the Company's Form 10-K for the year ended December 31, 1999.

††Incorporated by reference to the Company's Form 8-K filed February 16, 2001

‡‡ Incorporated by reference to the Company's Form 10-K for the year ended December 31, 2000.

(b) Reports on Form 8-K

The Company filed a report on Form 8-K on February 16, 2001.

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: May 11, 2001

/s/ Paul Segall

Paul Segall
Chief Executive Officer

/s/ Victoria Bellport

Date: May 11, 2001 ----------

Victoria Bellport
Chief Financial Officer