UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Period Ended March 31, 1998

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: 0-20859

GERON CORPORATION

Delaware	75-2287752
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

230 Constitution Drive, Menlo Park, CA 94025
(Address of principal executive offices)

Registrant's telephone number, including area code: (650) 473-7700

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

Common Stock $0.001 par value
(Title of Class)

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

Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class: Common Stock $0.001 par value Outstanding at May 8, 1998: 11,170,897

GERON CORPORATION
INDEX

GERON CORPORATION
CONDENSED BALANCE SHEETS
(In thousands, except share and per share amounts)

	MARCH 31, 1998 (UNAUDITED)	DECEMBER 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 27,186	$ 4,122
Short-term investments	11,397	17,475
Interest and other receivables	263	866
Other current assets	696	1,016
Total current assets	39,542	23,479
Property and equipment, net	2,191	2,404
Deposits and other assets	170	173
	$ 41,903	$ 26,056
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 407	$ 723
Accrued compensation	334	431
Accrued liabilities	647	605
Deferred revenue	--	975
Current portion of capital lease obligations and equipment loans	975	1,006
Total current liabilities	2,363	3,740
Noncurrent portion of capital lease obligations and equipment loans	1,069	1,250
Commitments		
Stockholders' equity:		
Preferred stock, $0.001 par value; 3,000,000 shares authorized; 15,000 and no shares issued and outstanding at March 31, 1998 and December 31, 1997, respectively	--	--
Common stock, $0.001 par value; 25,000,000 shares authorized; 11,146,539 and 10,795,913 shares issued and outstanding at March 31, 1998 and December 31, 1997, respectively	11	11
Additional paid-in-capital	87,080	67,879
Notes receivable from stockholders	(2)	--
Deferred compensation	(642)	(714)
Accumulated deficit	(47,976)	(46,110)
Total stockholders' equity	38,471	21,066
	$ 41,903	$ 26,056

See accompanying notes.

GERON CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)
(In thousands, except share and per share amounts)

	THREE MONTHS ENDED MARCH 31,	
	1998	1997
Revenues from collaborative agreements	$ 2,225	$ --
License fees & royalties	25	28
Total revenues	2,250	28
Operating expenses:		
Research and development	3,668	3,935
General and administrative	826	765
Total operating expenses	4,494	4,700
Loss from operations	(2,244)	(4,672)
Interest and other income	459	323
Interest and other expense	(82)	(99)
Net loss	$ (1,867)	$ (4,448)
Basic and diluted net loss per share	$ (0.17)	$ (0.44)
Shares used in computing basic and diluted net loss per share	10,897,680	10,178,271

See accompanying notes.

GERON CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
INCREASE IN CASH AND CASH EQUIVALENTS
(UNAUDITED)
(In thousands)

	THREE MONTHS ENDED MARCH 31,	
	1998	1997
Cash flows from operating activities:		
Net loss	$ (1,867)	$ (4,448)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	281	309
Issuance of common and preferred stock in exchange for services rendered	10	12
Deferred compensation	105	72
Changes in assets and liabilities:		
Interest and other receivables	603	63
Other current assets	320	(101)
Deposits and other assets	3	54
Accounts payable	(316)	(243)
Accrued compensation	(97)	(364)
Accrued liabilities	42	(28)
Deferred revenue	(975)	--
Net cash used in operating activities	(1,891)	(4,674)
Cash flows from investing activities:		
Capital expenditures	(68)	(254)
Purchases of securities available-for-sale	--	(6,109)
Proceeds from maturities of securities available-for-sale	6,079	5,000
Net cash provided by (used in) investing activities	6,011	(1,363)
Cash flows from financing activities:		
Proceeds from equipment loans	68	142
Payments of obligations under capital leases and equipment loans	(280)	(293)
Proceeds from issuance of common and preferred stock, net	19,156	2,153
Net cash provided by financing activities	18,944	2,002
Net increase (decrease) in cash and cash equivalents	23,064	(4,035)
Cash and cash equivalents at the beginning of the period	4,122	12,357
Cash and cash equivalents at the end of the period	$ 27,186	$ 8,322

See accompanying notes.

GERON CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1998

(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed unaudited balance sheet as of March 31, 1998 and condensed statements of operations for the three-month periods ended March 31, 1998 and 1997 have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ended December 31, 1998. These financial statements should be read in conjunction with the financial statements for the year ended December 31, 1997, included in the Company's Annual Report on Form 10-K.

Net Loss Per Share

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 128, "Earnings Per Share," ("SFAS 128"), which requires the Company to simplify the calculation of earnings per share and achieve comparability with the recently issued International Accounting Standard No. 33, "Earnings Per Share." SFAS 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. Diluted earnings per share is very similar to the previously reported fully diluted earnings per share. All earnings per share amounts for all periods presented have been restated, where appropriate, to conform to SFAS 128.

A reconciliation of shares used in calculation of basic and diluted net loss per share follows:

(In thousands, except share and per share data)	THREE MONTHS ENDED MARCH 31, 1998	1997
Net loss	$ (1,867)	$ (4,448)
Weighted average shares of Common Stock outstanding used in computing basic and diluted net loss per share	10,897,680	10,178,271
Basic and diluted net loss per share	$ (0.17)	$ (0.44)

Had the Company been in a net income position, diluted earnings per share would have included the shares used in the computation of basic net loss per share as well as the number of common shares issuable upon conversion of the Series A Convertible Preferred Stock and common shares related to outstanding options and warrants (as determined using the treasury stock method at the estimated average market value) for the three months ended March 31, 1998 and 1997.

2. OTHER RECENT ACCOUNTING PRONOUCEMENTS

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard 130, ("SFAS 130"),"Reporting Comprehensive Income," in June 1997. Under SFAS 130, the Company is required to display comprehensive income (loss) and its components as part of the Company's full set of financial statements. Comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss). The measurement and presentation of net income (loss) will not change. Other comprehensive income (loss) includes certain changes in equity of the Company that are excluded from net income (loss). Specifically, SFAS 130 requires unrealized holding gains and losses on the Company's available-for-sale securities, which are currently reported in the Company's accumulated deficit, to be included in other comprehensive income (loss). During the first quarter of 1998 and 1997, total comprehensive loss amounted to $1.9 million and $4.4 million, respectively.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard 131 ("SFAS 131"), "Disclosures about Segments of an Enterprise and Related Information," which require additional disclosure to be adopted beginning December 31, 1998. SFAS 131 requires that the Company report financial and descriptive information about its reportable operating segments. The Company is evaluating the impact, if any, of SFAS 131 on its future financial statement disclosure.

3. CASH EQUIVALENTS AND INVESTMENTS

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company places its cash and cash equivalents in interest-bearing money market funds, commercial paper, corporate master notes, and repurchase agreements with United States financial institutions. As of March 31, 1998, the Company's investments consisted primarily of corporate notes with maturities ranging from 3 to 12 months.

4. PREFERRED STOCK

On March 27, 1998, the Company completed a private placement with two institutional investors for the sale of 15,000 shares of Series A Convertible Preferred Stock with a stated value of $1,000 per share resulting in proceeds of $15.0 million. The Series A Convertible Preferred Stock is convertible into the number of shares of Common Stock of the Company equal to the stated value plus a premium of 6% per annum divided by a conversion price. The conversion price of the Preferred Stock is based on the market price or the Common Stock during a pricing period preceding conversion, up to a conversion price cap of $16.88. With limited exceptions, during the nine month period following issuance, the Preferred Stock is convertible only after the market price of the Common Stock equals or exceeds $15 per share. The Preferred Stock is subject to redemption at the Company's option if the market price of the Common Stock exceeds or falls below certain thresholds. The Company has agreed to register the resale of the underlying Common Stock under the Securities Act of 1933.

GERON CORPORATION

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

The following discussion contains certain forward-looking statements which involve risks and uncertainties. The Company's actual results could differ materially from the results anticipated in these forward-looking statements as a result of certain factors set forth under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997 and in the section of this Item 2 titled "Additional Factors That May Affect Future Results".

The following discussion should be read in conjunction with the unaudited financial statements and notes thereto included in Part I, Item 1 of this Quarterly Report and with Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997.

Geron is a biopharmaceutical company focused on discovering and developing therapeutic and diagnostic products based upon the company's understanding of telomeres and telomerase in cells, fundamental biological mechanisms underlying cancer and other age-related diseases.

On March 27, 1998, the Company completed a private placement with two institutional investors for the sale of 15,000 shares of Series A Convertible Preferred Stock with a stated value of $1,000 per share resulting in proceeds of $15.0 million. The Series A Convertible Preferred Stock is convertible into the number of shares of Common Stock of the Company equal to the stated value plus a premium of 6% per annum divided by a conversion price. The conversion price of the Preferred Stock is based on the market price of the Common Stock during a pricing period preceding conversion, up to a conversion price cap of $16.88. With limited exceptions, during the nine month period following issuance, the Preferred Stock is convertible only after the market price of the Common Stock equals or exceeds $15 per share. The Preferred Stock is subject to redemption at the Company's option if the market price of the Common Stock exceeds or falls below certain thresholds. The Company agreed to register the resale of the underlying common stock under the Securities Act of 1933.

In accordance with the Stock Purchase Agreement with Pharmacia & Upjohn, S.p.A. ("Pharmacia & Upjohn"), in March 1998, Pharmacia & Upjohn purchased $4.0 million of Geron Common Stock at a premium.

The Company's results of operations have fluctuated from period to period and may continue to fluctuate in the future based upon the timing and composition of funding under various collaborative agreements, as well as the progress of its research and development efforts. Results of operations for any period may be unrelated to results of operations for any other period. In addition, historical results should not be viewed as indicative of future operating results. Geron is subject to risks common to companies in its industry and at its stage of development, including risks inherent in its research and development efforts, reliance upon collaborative partners, enforcement of patent and proprietary rights, need for future capital, potential competition and uncertainty of regulatory approvals or clearances. In order for a product to be commercialized based on the Company's research, it will be necessary for Geron and its collaborators to conduct preclinical tests and clinical trials, demonstrate efficacy and safety of the Company's product candidates, obtain regulatory approvals or clearances and enter into manufacturing, distribution and marketing arrangements, as well as obtain market acceptance. The Company does not expect to receive revenues or royalties based on therapeutic products for a period of years. See "Additional Factors That May Affect Future Results."

RESULTS OF OPERATIONS

REVENUES

Contract revenues were $2.2 million and none for the three months ended March 31, 1998 and 1997, respectively. Contract revenues in 1998 were from research support payments under the Company's collaborative agreements with Pharmacia & Upjohn (the "Pharmacia & Upjohn Agreement") and Kyowa Hakko Kogyo, Co. Ltd. (the "Kyowa Hakko Agreement"). Research support payments of $1.0 million and $4.0 million under the Kyowa Hakko Agreement were received in April 1998 and 1997, respectively. The Pharmacia & Upjohn Agreement was signed in March 1997 and the Company received its first quarterly research support payment of 1.25 million in April 1997. The Company recognizes revenue as related research and development costs are incurred under the collaborative agreements. Contract revenues are expected to decrease as a result of reduced research funding under the Kyowa Hakko Agreement.

The Company receives license payments and royalties from license and marketing agreements with various diagnostic collaborators. No license fee payments were received in 1997 or the first quarter of 1998. Royalties of $25,000 and $28,000 were received from licensees, including Oncor, Kyowa Medex, Boehringer Mannheim and PharMingen on the sale of diagnostic kits to the research-use-only market for the three months ended March 31, 1998 and 1997, respectively.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses were $3.7 million and $3.9 million for the three months ended March 31, 1998 and 1997, respectively. The slight decrease was primarily due to a decrease in facilities related expenditures for the three months ended March 31, 1998. In 1997, the Company incurred additional facilities costs related to the expansion of its operations to two buildings and the enhancement of several laboratory operations. The Company expects research and development and related facilities expenses to increase in the future as a result of continued development of its research programs.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were $826,000 and $765,000 for the three months ended March 31, 1998 and 1997, respectively. The overall increase in expenses for 1998 was primarily due to higher legal, filing and communication costs.

INTEREST AND OTHER INCOME

Interest income was $330,000 and $318,000 for the three months ended March 31, 1998 and 1997, respectively. The increase was due to higher average cash and investment balances as a result of the sale of equity securities to Pharmacia & Upjohn and completion of the Company's convertible preferred stock financing, both of which occurred at the end of the first quarter. Interest earned in the future will depend on the Company's funding cycles and prevailing interest rates. The Company also received $129,000 and $5,000 in research payments under government grants for the three months ended March 31, 1998 and 1997, respectively. The Company does not expect income from government grants to be significant in the foreseeable future.

INTEREST AND OTHER EXPENSE

Interest and other expenses were $82,000 and $99,000 for the three months ended March 31, 1998 and 1997, respectively. The decrease was due to lower outstanding lease obligations as a result of certain leases expiring during the quarter. The Company expects interest and other expense to remain consistent with prior years as expiring leases are replaced with new leases over the coming year.

NET LOSS

Net loss was $1.9 million and $4.4 million for the three months ended March 31, 1998 and 1997, respectively. The decrease was due primarily to the timing of the recognition of contract revenue from the Kyowa Hakko and Pharmacia & Upjohn agreements. The agreement with Pharmacia & Upjohn was signed in March 1997 and no contract revenue was recognized until the second quarter of 1997. In addition, the Company did not recognize any contract revenue from the Kyowa Hakko Agreement in the first quarter of 1997, as it had been previously recognized in 1996. Net loss is expected to increase as a result of decreased funding from Kyowa Hakko.

LIQUIDITY AND CAPITAL RESOURCES

On March 27, 1998, the Company completed a private placement with two institutional investors for the sale of 15,000 shares of Series A Convertible Preferred Stock with a stated value of $1,000 per share resulting in proceeds of $15.0 million. The Series A Convertible Preferred Stock is convertible into the number of shares of Common Stock of the Company equal to the stated value plus a premium of 6% per annum divided by a conversion price. The conversion price of the Preferred Stock is based on the market price of the Common Stock during a pricing period preceding conversion, up to a conversion price cap of $16.88. With limited exceptions, during the nine-month period following issuance, the Preferred Stock is convertible only after the market price of the Common Stock equals or exceeds $15 per share. The Preferred Stock is subject to redemption at the Company's option if the market price of the Common Stock exceeds or falls below certain thresholds. The Company agreed to register the resale of the underlying common stock under the Securities Act of 1933.

In accordance with the Stock Purchase Agreement with Pharmacia & Upjohn, in March 1998, Pharmacia & Upjohn purchased $4.0 million of Geron Common Stock at a premium.

Cash, cash equivalents and short-term investments at March 31, 1998 were $38.6 million compared to $21.3 million at March 31, 1997. The increase in cash, cash equivalents and short-term investments in the three months ended March 31, 1998 was primarily due to the completion of the Company's private placement and the sale of equity securities to Pharmacia & Upjohn. It is the Company's investment policy to invest these funds in liquid, investment-grade securities, such as interest-bearing money market funds, corporate master notes, commercial paper, repurchase agreements with United States financial institutions and federal agency notes.

Net cash used in operations decreased to $1.9 million for the three months ended March 31, 1998 compared to $4.7 million for the comparable period in 1997. The decrease resulted primarily from a lower net loss recognized in 1998. As discussed above, significantly more revenue was recognized from the Kyowa Hakko and Pharmacia & Upjohn collaborative agreements in the first quarter of 1998 than in the first quarter of 1997.

For the three months ended March 31, 1998, additions of equipment and leasehold improvements totaled approximately $68,000, all of which were financed through equipment financing arrangements. At March 31, 1998, the Company had approximately $524,000 available for borrowing under its equipment financing facility.

The Company estimates that its existing capital resources including proceeds from the private placement, payments under the Pharmacia & Upjohn Agreement, interest income and equipment financing will be sufficient to fund its current and planned operations through 1999. There can be no assurance, however, that changes in the Company's research and development plans or other changes affecting the Company's operating expenses will not result in the expenditure of available resources before such time, and in any event, the Company will need to raise substantial additional capital to fund its operations in future periods. The Company intends to seek additional funding through collaborative arrangements, public or private equity financings, capital lease transactions or other financing sources that may be available.

ADDITIONAL FACTORS THAT MAY AFFECT FUTURE RESULTS

The Company desires to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Specifically, the Company wishes to alert readers that, except for the historical information contained herein, the matters discussed in this report constitute forward-looking statements that are dependent on certain risks and uncertainties. These and other factors that may cause actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company are described below.

TECHNOLOGICAL UNCERTAINTY

The study of the mechanisms of cellular aging and cellular immortality, including telomere biology and telomerase, is a relatively new area of research, and there can be no assurance that this research will lead to the discovery or development of any therapeutic or diagnostic product. If and when potential lead drug compounds or product candidates are identified through the Company's research programs, they will require significant preclinical and clinical testing prior to regulatory approval in the United States and elsewhere, and there can be no assurance that any of these efforts will result in a product that can be marketed. Because of the significant additional scientific, regulatory and commercial milestones that must be reached for the Company's research programs to be successful, there can be no assurance that any program will not be abandoned after significant resources have been expended. The abandonment of any research program could have a material adverse effect on the Company.

As a result of its drug discovery efforts to date, the Company has identified compounds in in vitro studies that demonstrate potential for inhibiting telomerase in vivo. However, additional development efforts will be required prior to the selection of a lead compound for preclinical development and clinical trials as a telomerase inhibitor for cancer. If and when selected, a lead compound may prove to have undesirable and unintended side effects or other characteristics affecting its efficacy or safety that may prevent or limit its commercial use. For example, telomerase is active in reproductive cells and transiently expressed in certain hematopoietic (blood) and gastrointestinal cells. There can be no assurance that any product based on the inhibition of telomerase will not adversely affect such cells and result in unacceptable side effects. In addition, it is expected that telomerase inhibition will have delayed efficacy as telomeres resume normal shortening and, as a result, will in most cases, be used in conjunction with other cancer therapies. There can be no assurance that the delayed efficacy of a telomerase inhibitor will not have a material adverse effect on the preclinical and clinical development, ability to obtain regulatory approval or marketability of a telomerase inhibitor for the treatment of cancer. The abandonment of the Telomerase Inhibition and Detection program would have a material adverse effect on the Company.

With respect to the development and commercial application of the Company's proprietary telomerase detection technology, there is, as yet, insufficient clinical data to confirm its full utility to diagnose, prognose, monitor patient status and screen for cancer. Although the Company's licensees, Oncor, Boehringer Mannheim, Kyowa Medex and PharMingen have commenced the sale of kits for research use, additional development work and regulatory consents will be necessary prior to the introduction of tests for clinical use.

With respect to the Company's Genomics of Aging program, the Company has identified certain genes that are expressed differentially in senescent cells versus replicatively young cells. However, the Company has not identified any lead compounds that have been demonstrated to modulate such gene expression, and there can be no assurance that any such lead compound will be discovered or developed. The part of the Company's Genomics of Aging program that is designed to modulate telomere length is at an early stage of development. While telomere length and replicative capacity have been extended in vitro, there can be no assurance that the Company will discover a compound that will modulate telomere length or increase replicative capacity effectively for clinical use. The Company's Primordial Stem Cell program is also at an early stage. While primate Primordial Stem ("PS") cells have been isolated and allowed to expand and differentiate into numerous cell types, there can be no assurance that the Company's efforts to isolate the human primordial stem cell and develop products therefrom will result in any commercial applications.

The Company may become aware of technology controlled by third parties that is advantageous to the Company's programs. There can be no assurance that the Company will be able to acquire or license such technology on reasonable terms, if at all. In the event that the Company is unable to acquire such technology, the Company may be required to expend significant time and resources to develop similar technology, and there can be no assurance that it will be successful in this regard. If the Company cannot acquire or develop necessary technology, it may be prevented from pursuing certain business objectives. Moreover, a competitor of the Company could acquire or license such technology. Any such event could have a material adverse effect on the Company.

EARLY STAGE OF DEVELOPMENT

Geron is at an early stage in the development of therapeutic and diagnostic products. The Company has not yet selected a lead compound for any of its drug development programs. In order to identify and select such a compound, it must have access to sufficient numbers of chemical compounds and resources, of which there can be no assurance. Products that may result from the Company's research and development programs are not expected to be commercially available for a number of years, if at all. The Company's program to identify a telomerase inhibitor is currently at the drug discovery stage, while the Company's other programs are currently focused on research efforts prior to drug discovery or preclinical development. It is difficult to predict when, if ever, the Company will select a lead compound for drug development as a telomerase inhibitor. In addition, there can be no assurance that the Company's other programs will move beyond their current stage. Assuming the Company's research advances and the Company is able to identify and select a lead compound for telomerase inhibition, certain preclinical development efforts will be necessary to determine whether the potential product has sufficient safety to enter clinical trials. If such a potential product receives authorization from the United States Food and Drug Administration (the "FDA") to enter clinical trials, then it will most likely be subjected to a multiphase, multicenter clinical study to determine its safety and efficacy. It is not possible to predict the length or extent of clinical trials or the period of any required patient follow-up. Assuming clinical trials of any potential product are successful and other data are satisfactory, the Company will submit an application to the FDA and appropriate regulatory bodies in other countries to seek permission to market the product. The review process at the FDA is substantial and lengthy, and there can be no assurance that the FDA will approve the Company's application or will not require additional clinical trials or other data prior to approval. Furthermore, even if such approval is ultimately obtained, delays in the approval process could have a material adverse effect on the Company. In addition, there can be no assurance that any potential product will be capable of being produced in commercial quantities at a reasonable cost or that such product will be successfully marketed. Based on the foregoing, the Company does not anticipate being able to commence marketing of any therapeutic products for a period of years, if at all. There can be no assurance that any of the Company's product development efforts will be successfully completed, that regulatory approvals will be obtained, or that the Company's products, if any, will achieve market acceptance.

DEPENDENCE ON STRATEGIC AND RESEARCH COLLABORATIONS

The Company's strategy for the development, clinical testing and commercialization of its products includes entering into collaborations with corporate partners, licensors, licensees and others, and the Company is dependent upon the subsequent success of these other parties in performing their respective responsibilities. The success of any collaboration depends on the continued cooperation of its partners, as to which there can be no assurance. The amount and timing of resources to be devoted to activities by its collaborators are not within the direct control of the Company. There can be no assurance that such partners will perform their obligations as expected or that the Company will derive any benefits from such arrangements. There can also be no assurance that the Company's current collaborators or any future collaborators will not pursue existing or alternative technologies in preference to those being developed in collaboration with the Company.

The Company currently has no manufacturing infrastructure and no marketing or sales organization, and intends to rely in substantial part on its current and future strategic partners for the manufacture of any product and the principal marketing and sales responsibilities for any such product. To the extent the Company chooses not to or is unable to establish such arrangements, the Company will require substantially greater capital to undertake its own manufacturing, marketing and sales of any product.

In April 1995, the Company entered into a License and Research Collaboration Agreement with Kyowa Hakko (the "Kyowa Hakko Agreement") for the development and commercialization in certain Asian countries of a telomerase inhibitor for the treatment of cancer. Under the collaboration, Kyowa Hakko provides certain funding for the Company's research and development activities and is responsible for all clinical, regulatory, manufacturing, marketing and sales efforts and expenses in the covered territory. The Kyowa Hakko Agreement provides that Kyowa Hakko will not pursue research and development independent of its collaboration with Geron with respect to telomerase inhibition for the treatment of cancer in humans until April 7, 2000, at the earliest. The Kyowa Hakko Agreement also provides in general that, while Geron exercises significant influence during the research phase, Kyowa Hakko exercises significant influence during the development and commercialization phases of the collaboration. In March 1997, the Kyowa Hakko Agreement was amended to extend its term until April 2000 and to make certain other changes in connection with the signing of the Pharmacia & Upjohn Agreement (as defined below).

On March 23, 1997 the Company signed a License and Research Collaboration Agreement (the "Pharmacia & Upjohn Agreement") with Pharmacia & Upjohn, S.p.A. to collaborate in the discovery, development and commercialization of a new class of anticancer drugs that inhibit telomerase. Under the collaboration, Pharmacia & Upjohn will provide certain funding of the Company's research and development activities and will be primarily responsible for all clinical, regulatory, manufacturing, marketing and sales efforts and expenses. Geron has certain promotion rights with corresponding clinical expense obligations. As with the Kyowa Hakko Agreement, the Company exercises significant influence during the research phase of the collaboration while Pharmacia & Upjohn will exercise significant influence during the development and commercialization phases of the collaboration. Through the Pharmacia & Upjohn and Kyowa Hakko Agreements, the Company has granted to Pharmacia & Upjohn and Kyowa Hakko exclusive worldwide rights to its telomerase inhibition technology, with exception to certain antisense, gene therapy and vaccine technologies outside Asia, for the treatment of cancer in humans. If and when a telomerase inhibitor is selected for development and commercialization under the Agreements, the Company will be significantly dependent upon the activities of Pharmacia & Upjohn and Kyowa Hakko for the successful commercialization of such product. Any failure of Pharmacia & Upjohn and Kyowa Hakko to develop or commercialize a telomerase inhibitor (if and when selected) will have a material adverse effect on the Company.

In December 1997, the Company entered into a License, Product and Marketing Agreement with Boehringer Mannheim to develop and market research and clinical diagnostic products to study and diagnose cancer on an exclusive, worldwide basis. Under the collaboration Boehringer Mannheim will provide reimbursement for research previously conducted and will be primarily responsible for all clinical, regulatory, manufacturing, marketing and sales efforts and expenses. In addition, the Company is entitled to receive future payments upon achievement of certain contractual milestones relating to level of product sales, as well as royalties on product sales. Further, the Company has an option to exercise certain co-promotion rights in the United States. If and when a telomerase-based diagnostic kit is developed and commercialized under the agreement with Boehringer Mannheim, the Company will be significantly dependent upon the activities of Boehringer Mannheim for the successful manufacturing and commercialization of such product.

The Company has also entered into licensing arrangements with several diagnostic companies for the Company's telomerase detection technology. However, because these licenses are limited to the research-use-only market, such arrangements are not expected to generate significant commercial revenues.

There can be no assurance that the Company will be able to negotiate additional strategic arrangements in the future on acceptable terms, if at all, or that such strategic arrangements will be successful. In the absence of such arrangements, the Company may encounter significant delays in introducing any product or find that the research, development, manufacture, marketing or sale of any product is adversely affected. In the event that the Company does not enter into such arrangements, it may be materially adversely affected.

The Company has relationships with collaborators and scientific advisors at academic and other institutions, some of whom conduct research at the Company's request. These collaborators and scientific advisors are not employees of the Company and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to the Company. The Company has limited control over the activities of these collaborators and advisors and, except as otherwise required by its collaboration and consulting agreements, can expect only limited amounts of their time to be dedicated to the Company's activities.

DEPENDENCE ON PROPRIETARY TECHNOLOGY AND UNCERTAINTY OF PATENT PROTECTION

Protection of the Company's proprietary compounds and technology is important to the Company's business. The Company owns 10 issued United States patents and over 56 United States patent applications and has licensed 18 issued United States patents and over 46 United States patent applications, as well as international filings under the Patent Cooperation Treaty and pending foreign national patent applications corresponding to certain of these United States applications. Geron's success will depend in part on its ability to obtain and enforce its patents and maintain trade secrets, both in the United States and in other countries. The patent positions of pharmaceutical and biopharmaceutical companies, including the Company, are highly uncertain and involve complex legal and technical questions for which legal principles are not firmly established. There can be no assurance that the Company will continue to develop products or processes that are patentable or that patents will issue from any of the pending applications, including even allowed patent applications. There can also be no assurance that the Company's current patents, or patents that issue on pending applications, will not be challenged, invalidated or circumvented, or that the rights granted thereunder will provide proprietary protection or competitive advantages to the Company. Because (i) patent applications in the United States are maintained in secrecy until patents issue, (ii) patent applications are not generally published until many months or years after they are filed and (iii) publication of technological developments in the scientific and patent literature often occurs long after the date of such developments, the Company cannot be certain that the inventors on its or its licensors' patents and patent applications were the first to invent the inventions disclosed in the patent applications or patents or that it or its licensors were the first to file patent applications for such inventions. Patent prosecution to issue patents and litigation to establish the validity of patents, to defend against patent infringement claims of others and to assert infringement claims against others can be expensive and time consuming even if the outcome is favorable to the Company. If the outcome of patent prosecution or litigation is unfavorable to the Company, the Company could be materially adversely affected.

Patent law relating to the scope and enforceability of claims in the fields in which the Company operates is still evolving. The degree of future protection for the Company's proprietary rights, therefore, is highly uncertain. In this regard, there can be no assurance that independent patents will issue from each of the United States patent applications referenced above, which include many interrelated applications directed to common or related subject matter. The Company is aware of certain patent applications and patents that have been filed by others with respect to telomerase and telomere length technology. In addition, there are a number of issued patents and pending applications owned by others directed to differential display, stem cell and other technologies relating to the Company's research, development and commercialization efforts. There can be no assurance that the Company's technology can be developed and commercialized without a license to such patents or that such patent applications will not be granted priority over patent applications filed by the Company or its licensors. Furthermore, there can be no assurance that others will not independently develop similar or alternative technologies to those of the Company, duplicate any of the

Company's technologies or design around the patented technologies developed by the Company or its licensors, any of which may have a material adverse effect on the Company.

The commercial success of the Company depends significantly on its ability to operate without infringing patents and proprietary rights of others. There can be no assurance that the Company's technologies do not and will not infringe the patents or proprietary rights of others. In the event of such infringement, the Company may be enjoined from pursuing research, development or commercialization of its potential products or may be required to obtain licenses to these patents or other proprietary rights or to develop or obtain alternative technologies. There can be no assurance that the Company will be able to obtain alternative technologies or any required license on commercially favorable terms, if at all, and if any such license is or alternative technologies are not obtained, the Company may be delayed or prevented from pursuing the development of certain of its potential products. The Company's breach of an existing license or failure to obtain or delay in obtaining alternative technologies or a license to any technology that it may require to develop or commercialize its products may have a material adverse effect on the Company. Also, the Company may be subject to claims or litigation as a result of entering into a license. In this regard, the Company signed a licensing and sponsored research agreement relating to its Primordial Stem Cell program with The Johns Hopkins University School of Medicine ("JHU") on August 1, 1997, after having been informed by a third party that the Company and JHU would violate the rights of that third party and another academic institution with which that third party claimed to be affiliated by way of contract (collectively "Third Party") in doing so. After a review of the correspondence with the Third Party and JHU as well as related documents, including an issued U.S. patent, the Company believes that the Third Party's claims, if asserted, would fall into three general categories: patent infringement, misuse of confidential information and breach of contract. The Company believes that it and JHU have substantial defenses to any claims that might be asserted by such Third Party and has provided indemnification to JHU relating to such potential claims. However, any litigation resulting from this matter may divert significant resources, both financial and otherwise, from the Company's research programs and there can be no assurance that the Company would be successful in any such litigation. If the outcome of any such litigation is unfavorable to the Company, the Company could be materially and adversely affected.

Litigation may also be necessary to enforce any patents issued or licensed to the Company or to determine the scope and validity of the Company's or anothers' proprietary rights. The Company could incur substantial costs if litigation is required to defend itself in patent suits or other intellectual property litigation brought by others or if Geron initiates such suits. There can be no assurance that the Company's issued or licensed patents would be held valid or infringed in a court of competent jurisdiction or that a patent held by another will be held invalid or not infringed in such court. An adverse outcome in litigation or an interference to determine priority or other proceeding in a court or patent office could subject the Company to significant liabilities to other parties, require disputed rights to be licensed from other parties or require the Company to cease using such technology, any of which could have a material adverse effect on the Company.

Geron also relies on trade secrets to protect its proprietary technology, especially in circumstances in which patent protection is not believed to be appropriate or obtainable. Geron attempts to protect its proprietary technology in part by confidentiality agreements with its employees, consultants and certain contractors. There can be no assurance that these agreements will not be breached, that the Company would have adequate remedies for any breach, or that the Company's trade secrets will not otherwise become known or be independently discovered by competitors.

The Company is party to various license agreements which give it rights to use certain technologies in its research, development and commercialization activities. Disputes have arisen and may continue to arise as to the inventorship and corresponding rights in know-how and inventions resulting from the joint creation or use of intellectual property by the Company and its licensors, research collaborators and consultants. There can be no assurance that the Company will be able to continue to license such technologies on commercially reasonable terms, if at all, or to maintain the exclusivity of its exclusive licenses. The failure of the Company to maintain exclusive or other rights to such technologies could have a material adverse effect on the Company.

FUTURE CAPITAL NEEDS; UNCERTAINTY OF ADDITIONAL FUNDING

The Company will require substantial capital resources in order to conduct its operations. The Company's future capital requirements will depend on many factors, including, among others, continued scientific progress in its research and development programs; the magnitude and scope of these activities; the ability of the Company to maintain and establish strategic arrangements for research, development, clinical testing, manufacturing and marketing; progress with preclinical and clinical trials; the time and costs involved in obtaining regulatory approvals; the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims; or the potential for new technologies and products. The Company intends to seek such additional funding through strategic collaborations, public or private equity financings and capital lease transactions; however, there can be no assurance that additional financing will be available on acceptable terms, if at all. Additional equity financings could result in significant dilution to stockholders. Further, in the event that additional funds are obtained through arrangements with collaborative partners, such arrangements may require the Company to relinquish rights to certain of its technologies, product candidates or products that the Company would otherwise seek to develop or commercialize itself. If sufficient capital is not available, the Company may be required to delay, reduce the scope of or eliminate one or more of its research or development programs, each of which could have a material adverse effect on the Company. Based on current projections, the Company estimates that its existing capital resources including the proceeds from the private placement completed in March 1998 and payments under the Pharmacia & Upjohn Agreement, interest income, grant funding and equipment financing will be sufficient to fund its current and planned operations through 1999. There can be no assurance that the assumptions underlying such estimates are correct or that such funds will be sufficient to meet the capital needs of the Company during such period.

HISTORY OF OPERATING LOSSES; ACCUMULATED DEFICIT

Geron has incurred net operating losses in every year of operation since its inception in 1990. Losses have resulted principally from costs incurred in connection with the Company's research and development activities and from general and administrative costs associated with the Company's operations. The Company expects to incur additional operating losses over the next several years as the Company's research and development efforts and preclinical testing are expanded. Substantially all of the Company's revenues to date have been research support payments under the collaborative agreements with Kyowa Hakko and Pharmacia & Upjohn. Research support payments under the Kyowa Hakko Agreement expire in April 1998. Research payments under the Pharmacia & Upjohn Agreement expire in January 2000. The Company is unable to estimate at this time the level of revenue to be received from the sale of diagnostic products, but does not expect to receive significant revenues from the sale of research-use-only kits. The Company's ability to achieve profitability is dependent on its ability, alone or with others, to select therapeutic compounds for development, obtain the required regulatory approvals and manufacture and market resulting products. There can be no assurance when or if the Company will receive material revenues from product sales or achieve profitability. Failure to generate significant additional revenues and achieve profitability could impair the Company's ability to sustain operations.

SUBSTANTIAL COMPETITION; RISK OF TECHNOLOGICAL OBSOLESCENCE

The pharmaceutical and biopharmaceutical industries are intensely competitive. The Company believes that certain pharmaceutical and biopharmaceutical companies as well as certain research organizations currently engage in or have in the past engaged in efforts related to the biological mechanisms of cell aging and cell immortality, including the study of telomeres, telomerase and stem cell technologies. In addition, other products and therapies that could compete directly with the products that the Company is seeking to develop and market currently exist or are being developed by pharmaceutical and biopharmaceutical companies, and by academic and other research organizations. Many companies are also developing alternative therapies to treat cancer and, in this regard, are competitive with the Company. The pharmaceutical companies developing and marketing such competing products have significantly greater financial resources and expertise in research and development, manufacturing, preclinical and clinical

testing, obtaining regulatory approvals and marketing than the Company. Smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Academic institutions, government agencies and other public and private research organizations may also conduct research, seek patent protection and establish collaborative arrangements for research, clinical development and marketing of products similar to those of the Company. These companies and institutions compete with the Company in recruiting and retaining qualified scientific and management personnel as well as in acquiring technologies complementary to the Company's programs. There is also competition for access to libraries of compounds to use for screening. Any inability of the Company to secure and maintain access to sufficiently broad libraries of compounds for screening potential targets would have a material adverse effect on the Company. In addition to the above factors, Geron will face competition with respect to product efficacy and safety, the timing and scope of regulatory consents, availability of resources, reimbursement coverage, price and patent position, including potentially dominant patent positions of others. There can be no assurance that competitors will not develop more effective or more affordable products, or achieve earlier patent protection or product commercialization than the Company or that such products will not render the Company's products obsolete.

DEPENDENCE ON KEY PERSONNEL

The Company is highly dependent on the principal members of its scientific and management staff, the loss of whose services might significantly delay or prevent the achievement of research, development or business objectives. In addition, the Company relies on consultants and advisors, including the members of its Scientific Advisory Board, to assist the Company in formulating its research and development strategy. Retaining and attracting qualified scientific and management personnel, consultants and advisors is critical to the Company's success. The Company faces competition for qualified individuals from numerous pharmaceutical, biopharmaceutical and biotechnology companies, as well as academic and other research institutions. There can be no assurance that the Company will be able to attract and retain such individuals on acceptable terms and the failure to do so would have a material adverse effect on the Company.

ETHICAL, LEGAL AND SOCIAL IMPLICATIONS OF PRIMORDIAL STEM CELL THERAPIES

The Company's Primordial Stem Cell program may involve the use of PS cells that would be derived from human embryonic tissue, and therefore may raise certain ethical, legal and social issues regarding the appropriate utilization of this tissue. The use of embryonic tissue in scientific research is an issue of national interest. Many research institutions, including certain of the Company's scientific collaborators, have adopted policies regarding the ethical use of these types of human tissue. These policies may have the effect of limiting the scope of research conducted in this area, resulting in reduced scientific progress. The Company has established an Ethics Advisory Board comprised of independent and recognized medical ethicists to provide advice to the Company. In addition, the United States government and its agencies currently do not fund research which involves the use of such tissue and may in the future regulate or otherwise restrict its use. The inability of the Company to conduct research on these cells due to such factors as government regulation or otherwise could have a material adverse effect on the program. In the event the Company's research related to PS cell therapies becomes the subject of adverse commentary or publicity, the Company's name and goodwill could be adversely affected.

GOVERNMENT REGULATION

The preclinical testing and clinical trials of any products developed by the Company or its collaborative partners and the manufacturing, labeling, sale, distribution, marketing, advertising and promotion of any new products resulting therefrom are subject to regulation by federal, state and local governmental authorities in the United States, the principal one of which is the FDA, and by similar agencies in other countries in which products developed by the Company or its collaborative partners may be tested and marketed (each of such federal, state, local and other authorities and agencies is referred to herein as a "Regulatory Agency"). Any product developed by the Company or its collaborative partners must receive all relevant Regulatory Agency approvals or clearances, if any, before it may be marketed in a particular country. The regulatory process, which includes extensive preclinical testing and clinical trials of each

product in order to establish its safety and efficacy, is uncertain, can take many years and requires the expenditure of substantial resources. Data obtained from preclinical and clinical activities are susceptible to varying interpretations which could delay, limit or prevent Regulatory Agency approval or clearance. In addition, delays or rejections may be encountered based upon changes in Regulatory Agency policy during the period of product development and/ or the period of review of any application for Regulatory Agency approval or clearance for a product. Delays in obtaining Regulatory Agency approvals or clearances could adversely affect the marketing of any products developed by the Company or its collaborative partners, impose costly procedures upon the Company's and its collaborative partners' activities, diminish any competitive advantages that the Company or its collaborative partners may attain and adversely affect the Company's ability to receive royalties and generate revenues and profits. There can be no assurance that, even after such time and expenditures, any required Regulatory Agency approvals or clearances will be obtained for any products developed by or in collaboration with the Company. Moreover, if Regulatory Agency approval or clearance for a new product is obtained, such approval or clearance may entail limitations on the indicated uses for which it may be marketed that could limit the potential market for any such product. Furthermore, approved products and their manufacturers are subject to continual review, and discovery of previously unknown problems with a product or its manufacturer may result in restrictions on such product or manufacturer, including withdrawal of the product from the market. In general, failure to comply with FDA requirements can result in severe civil and criminal penalties, including but not limited to recall or seizure of product, injunction against manufacture, distribution, sales and marketing and criminal prosecution.

NO ASSURANCE OF MARKET ACCEPTANCE; UNCERTAINTY OF PHARMACEUTICAL PRICING; IMPACT OF HEALTH CARE REFORM MEASURES

There can be no assurance that any products successfully developed by the Company or its collaborative partners, if approved for marketing, will achieve market acceptance. The products which the Company is attempting to develop will compete with a number of traditional drugs and therapies manufactured and marketed by major pharmaceutical companies, as well as new products currently under development by such companies and others. The degree of market acceptance of any products developed by the Company will depend on a number of factors, including the establishment and demonstration in the medical community of the clinical efficacy and safety of the Company's product candidates, their potential advantage over alternative treatment methods and reimbursement policies of government and third-party payors. There is no assurance that physicians, patients or the medical community in general will accept and utilize any products that may be developed by the Company or its collaborative partners.

In both domestic and foreign markets, sales of the Company's products, if any, will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers, health maintenance organizations, pharmacy benefit management companies and other organizations. Both federal and state governments in the United States and foreign governments continue to propose and pass legislation designed to contain or reduce the cost of health care through various means. Legislation and regulations affecting the pricing of pharmaceuticals and other medical products may change or be adopted before any of the Company's potential products are approved for marketing. Cost control initiatives could decrease the price that the Company receives for any product it may develop in the future and have a material adverse effect on the Company. In addition, third-party payors are increasingly challenging the price and cost-effectiveness of medical products and services. Significant uncertainty exists as to the reimbursement status of newly approved health care products, including pharmaceuticals. There can be no assurance that the Company's potential products will be considered cost effective or that adequate third-party reimbursement will be available to enable Geron to maintain price levels sufficient to realize an appropriate return on its investment in product development. In any such event, the Company may be materially adversely affected.

REGULATIONS RELATING TO THE ENVIRONMENT AND HAZARDOUS MATERIALS

The Company's research and development activities involve the controlled use of hazardous materials, chemicals and various radioactive compounds. As a consequence, the Company is subject to numerous

environmental and safety laws and regulations. There can be no assurance that the Company will not be required to incur significant costs to comply with current or future environmental laws and regulations or that the Company will not be adversely affected by the cost of compliance with such laws and regulations. Although the Company believes that its safety procedures for using, handling, storing and disposing of such materials comply with the standards prescribed by state and federal regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. In the event of such an accident, the Company's use of these materials could be curtailed by state or federal authorities, the Company could be held liable for any damages that result and any such liability could have a material adverse effect on the Company.

POTENTIAL PRODUCT LIABILITY CLAIMS; ABSENCE OF INSURANCE

Although the Company believes it does not currently have any exposure to product liability claims, the Company's future business will expose it to potential product liability risks that are inherent in the testing, manufacturing and marketing of human therapeutic and diagnostic products. The Company currently has no clinical trial liability insurance and there can be no assurance that it will be able to obtain and maintain such insurance for any of its clinical trials. In addition, there can be no assurance that the Company will be able to obtain or maintain product liability insurance in the future on acceptable terms or with adequate coverage against potential liabilities.

CONTROL BY MANAGEMENT AND CURRENT STOCKHOLDERS

Executive officers and directors of the Company, together with entities affiliated with them, own or control approximately 10% of the outstanding shares of Common Stock and may be able to influence significantly the election of the Company's Board of Directors and other corporate actions requiring stockholder approval, as well as significantly influence the direction and policies of the Company.

POTENTIAL ADVERSE MARKET IMPACT OF SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of the Common Stock in the public market could adversely affect the market price of the Common Stock. The Company had outstanding approximately 11,142,670 shares of Common Stock and 15,000 shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock") as of March 30, 1998. As of April 24, 1998, 3,071,018 shares of Common Stock were reserved for issuance upon exercise of the Company's outstanding options and warrants and an additional 1,993,355 shares of Common Stock were reserved for issuance upon conversion of the Series A Preferred Stock. Pharmacia & Upjohn S.p.A. has agreed not to sell the 696,787 shares (including the 255,102 shares purchased in March 1998) held by it until April 2000, after which time such shares will be freely transferable in accordance with Regulation S promulgated under the Securities Act of 1933, as amended ("the Securities Act"). Except for the shares of Common Stock issued to Pharmacia & Upjohn S.p.A., all of the Company's outstanding shares of Common Stock are freely tradeable without restriction under the Securities Act unless held by affiliates of the Company. In addition, certain holders of Common Stock and securities convertible into or exercisable for shares of Common Stock have certain registration rights under a registration rights agreement among such holders and the Company.

POSSIBLE VOLATILITY OF STOCK PRICE

There has been a history of significant volatility in the market price for shares of biopharmaceutical companies, and it is likely that the market price of the Common Stock will be similarly volatile. Prices for the Common Stock may be influenced by many factors, including the depth of the market for the Common Stock, investor perception of the Company, fluctuations in the Company's operating results and market conditions relating to the biopharmaceutical and pharmaceutical industries. In addition, the market price of the Common Stock may be influenced by announcements of technological innovations, new commercial products or clinical progress or the lack thereof by the Company, its collaborative partners or its competitors. In addition, announcements concerning regulatory developments, developments with respect

to proprietary rights and the Company's collaborations as well as other factors could also have a significant impact on the Company's business and the market price of the Common Stock.

EFFECT OF CERTAIN CHARTER AND BYLAW PROVISIONS; CERTAIN ANTI-TAKEOVER PROVISIONS

The Company's Board of Directors has the authority to issue up to 3,000,000 shares of undesignated Preferred Stock and to determine the rights, preferences, privileges and restrictions of such shares without further vote or action by the Company's stockholders. In March 1998, the Board of Directors designated 15,000 shares of Series A Convertible Preferred Stock. The rights of the holders of Common Stock will be subject to, and may be adversely affected by, the rights of the holders of any Preferred Stock that may be issued in the future. The issuance of Preferred Stock could have the effect of making it more difficult for a third party to acquire a majority of the outstanding voting stock of the Company. In addition, certain provisions of the Company's charter documents, including the inability of stockholders to take actions by written consent and the staggered election of the Company's Board of Directors, and certain provisions of Delaware law could delay or make difficult a merger, tender offer or proxy contest involving the Company.

IMPACT OF YEAR 2000

Some of the Company's older computer programs were written using two digits rather than four to define the applicable year. As a result, those computer programs have time-sensitive software that recognize a date using "00" as the year 1900 rather than the year 2000. This could cause a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send checks, or engage in similar normal business activities.

The Company has started an assessment and will have to modify or replace portions of its software so that its computer systems will function properly with respect to dates in the year 2000 and thereafter. The total Year 2000 project cost is estimated at approximately $200,000 which includes $100,000 of new software that will be capitalized and $100,000 that will be expensed as incurred. As of March 31, 1998, the Company has not incurred any expenses for the Year 2000 project.

POSSIBLE DILUTION FROM CONVERSION OF SERIES A PREFERRED STOCK

The number of shares of Common Stock issuable upon conversion of the Series A Convertible Preferred Stock is not fixed and could result in substantial dilution to current stockholders. Further, sales of the underlying shares of Common Stock could adversely affect the market price of the Common Stock. As of April 24, 1998, 15,000 shares of the Company's Series A Convertible Preferred Stock were issued and outstanding. Each share of the Series A Convertible Preferred Stock is convertible into such number of shares of Common Stock as is determined by dividing the stated value ($1,000) of the share of Series A Convertible Preferred Stock (as such value is increased by a premium based on the number of days the Series A Convertible Preferred Stock is held) by the then current Conversion Price(which is determined by reference to the then current market price). If converted on April 22, 1998, the Series A Preferred Stock would have been convertible into approximately 1,328,904 shares of Common Stock, but this number of shares could be significantly larger or smaller depending on the trading price of the Common Stock at the time of conversion. The shares of Series A Preferred Stock are not registered and may be sold only if registered under the Securities Act or sold in accordance with an applicable exemption from registration, such as Rule 144. The shares of Common Stock into which the Series A Preferred Stock may be converted have been registered pursuant to a Registration Statement on Form S-3 that was filed on April 24, 1998. In the event the Company is not able to register the underlying Common Stock or the holders of the Preferred Stock are otherwise unable to sell the underlying Common Stock, the Company could be subject to various penalties, including the right of the holders of the Preferred Stock to cause redemption of the Preferred Stock at a premium.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

On March 27, 1998, the Company designated and issued 15,000 shares of Series A Convertible Preferred Stock with a stated value of $1,000 per share (the "Series A Preferred Stock"), for aggregate proceeds of $15,000,000. The shares were sold to funds affiliated with two institutional investors, Rose Glen Capital Management, L.P. and Citadel Investment Group, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended (the "Act") pursuant to Regulation D.

Each share of Series A Preferred Stock is convertible into the number of shares of the Company's Common Stock, equal to (i) the stated value ($1,000) plus a premium of 6% per annum of the stated value from the date of issuance of the Series A Preferred Stock (the "Issue Date"), divided by (ii) the Conversion Price. The Conversion Price is equal to the lesser of (i) 95% of the average closing bid prices of the Common Stock for any five consecutive trading days during the twenty consecutive trading day period ending on the day prior to the date of conversion (the "Market Price") and (ii) $16.88. However, for conversions taking place prior to December 27, 1998, if any, the Conversion Price is equal to the lesser of (i) (a) 100% of the Market Price, if the Market Price is greater than $12.50 or (b) 105% of the Market Price, if the Market Price is less than $12.50 and (ii) $16.88.

Subject to certain limited exceptions, the holders of the Series A Preferred Stock are subject to limits on the number of shares they can convert at any one time. Unless the price at which the Common Stock trades on the Nasdaq National Market ("Nasdaq") on the date of conversion is greater than or equal to either (i) 120% of the Market Price or (ii) $15.00, the following limits apply: Prior to 270 days from the Issue Date, the Series A Preferred Stock may not be converted; beginning 271 days from the Issue Date, each holder of the Series A Preferred Stock may only convert up to 33.3% of its initial holding of the Series A Preferred Stock; beginning 301 days from the Issue Date, each holder of the Series A Preferred Stock may only convert up to 66.6% of its initial holding of the Series A Preferred Stock and beginning 331 days from the Issue Date, all of the Series A Preferred Stock may be converted. The Series A Preferred Stock is subject to redemption at the Company's option if the market price of the Common Stock exceeds or falls below certain thresholds. The Company has agreed to register the underlying Common Stock for resale.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

27.1 Financial Data Schedule

(b) REPORTS ON FORM 8-K

(i) The Company filed the following reports on Form 8-K relating to the issuance of certain press releases and the issuance of convertible preferred stock:

Form 8-K
Report Date: January 13, 1998
Filing Date: February 11, 1998
Item 5: Other Events
Item 7(c): Exhibits

Form 8-K
Report Date: March 27, 1998
Filing Date: April 2, 1998
Item 5: Other Events
Item 7(c): Exhibits

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.

GERON CORPORATION

By: /s/ David L. Greenwood

David L. Greenwood
Chief Financial Officer, Treasurer and Secretary (Duly Authorized Signatory and Principal Financial and Accounting Officer)

Date: May 13, 1998

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
27.1	Financial Data Schedule

5
1,000

3-MOS
DEC-31-1998
JAN-01-1998
MAR-31-1998
27,186
11,397
0
0
0
39,542
6,189
(3,998)
41,903
2,363
0
0
0
11
38,460
41,903
0
2,250
0
0
4,494
0
82
(1,867)
0
(1,867)
0
0
0
(1,867)
(0.17)
(0.17)