

NATIONAL STEM CELL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2006 and 2005

	2006	2005
Revenues		
Sale of donor vials	\$ 43,195	\$ 23,910
Storage and testing fees	<u>140,133</u>	<u>120,284</u>
Total revenues	183,328	144,194
Cost of goods sold	<u>18,201</u>	<u>19,615</u>
Gross profit	165,127	124,579
Operating Expenses		
Research and development expense	191,197	66,649
General and administrative expense	<u>1,138,255</u>	<u>287,402</u>
Total operating expenses	<u>1,329,452</u>	<u>354,051</u>
Loss from operations	(1,164,325)	(229,472)
Interest income, net	6,748	
Net Loss	<u>\$ (1,157,577)</u>	<u>\$ (229,472)</u>
Basic and diluted net loss per common share	<u>\$ (0.08)</u>	<u>\$ (0.02)</u>
Weighted average basic and diluted shares outstanding	<u>14,295,810</u>	<u>13,000,000</u>

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15. This disclosure statements and any quotation are not being published or submitted on behalf of any other broker or dealer
16. No quotation is being submitted on behalf of any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding shares or any equity security of the Issuer.