SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

(Mark one)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

or

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

Commission File Number 0-15006

AVANT IMMUNOTHERAPEUTICS, INC.
(F/K/A T CELL SCIENCES, INC.)
(Exact name of registrant as specified in its charter)

DELAWARE	13-3191702
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

119 FOURTH AVENUE, NEEDHAM, MASSACHUSETTS 02494
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: (781) 433-0771

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:
COMMON STOCK, PAR VALUE $.001

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

The aggregate market value of common stock held by non-affiliates as of March 10, 2000 was $657,749,278 (excludes shares held by directors and executive officers). Exclusion of shares held by any person should not be construed to indicate that such person possesses the power, direct or indirect, to direct or cause the actions of the management or policies of the Registrant, or that such person is controlled by or under common control with the Registrant. The number of shares of common stock outstanding at March 10, 2000 was: 50,012,800 shares.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: STATEMENTS CONTAINED IN THIS REPORT: MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS, THAT ARE NOT HISTORICAL FACTS MAY BE FORWARD-LOOKING STATEMENTS THAT ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES. THERE ARE A NUMBER OF IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS MADE BY THE REGISTRANT. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO: (i) THE REGISTRANT'S ABILITY TO SUCCESSFULLY COMPLETE PRODUCT RESEARCH AND DEVELOPMENT, INCLUDING PRE-CLINICAL AND CLINICAL STUDIES, AND COMMERCIALIZATION; (ii) THE REGISTRANT'S ABILITY TO OBTAIN SUBSTANTIAL ADDITIONAL FUNDING; (iii) THE REGISTRANT'S ABILITY TO OBTAIN REQUIRED GOVERNMENTAL APPROVALS; (iv) THE REGISTRANT'S ABILITY TO ATTRACT MANUFACTURING, SALES, DISTRIBUTION AND MARKETING PARTNERS AND OTHER STRATEGIC ALLIANCES; AND (v) THE REGISTRANT'S ABILITY TO DEVELOP AND COMMERCIALIZE ITS PRODUCTS BEFORE ITS COMPETITORS.

AVANT Immunotherapeutics, Inc. (the "Company") hereby amends Part II, Item 8 of its Form 10-K for the year ended December 31, 1999 filed with the Securities and Exchange Commission on March 28, 2000. The only purpose of this amendment is to correct a typographical error made in dating the Report of the Independent Accountants. This amended annual report on Form 10-K/A does not reflect any changes in the Company's reported consolidated financial condition or results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT ACCOUNTANTS

To The Board of Directors and Shareholders of
AVANT Immunotherapeutics, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income and of cash flows present fairly, in all material respects, the financial position of AVANT Immunotherapeutics, Inc. and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Boston, Massachusetts
February 14, 2000

CONSOLIDATED BALANCE SHEET

	DECEMBER 31, 1999	DECEMBER 31, 1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 13,619,000	$ 8,937,200
Marketable Securities	--	4,903,100
Current Portion Restricted Cash	--	750,000
Current Portion Lease Receivable	431,700	395,700
Prepaid and Other Current Assets, Net	439,000	629,700
Total Current Assets	14,489,700	15,615,700
Property and Equipment, Net	1,256,800	1,111,400
Restricted Cash	217,000	365,000
Long-Term Lease Receivable	395,700	827,300
Other Assets	3,523,500	4,730,700
Total Assets	$ 19,882,700	$ 22,650,100
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 575,300	$ 363,700
Accrued Expenses	1,331,500	1,184,700
Deferred Revenue	--	750,000
Short-Term Note Payable	--	750,000
Current Portion Lease Payable	293,700	269,200
Total Current Liabilities	2,200,500	3,317,600
Long-Term Lease Payable	269,200	562,900
Commitments and Contingent Liabilities (Notes 3 and 13)		
Stockholders' Equity:		
Common Stock, $.001 Par Value 75,000,000 Shares Authorized; 48,127,400 Issued and Outstanding at December 31, 1999; 42,512,400 Issued and 42,508,600 Outstanding at December 31, 1998	48,100	42,500
Additional Paid-In Capital	150,710,300	140,777,200
Less: 0 and 3,800 Common Treasury Shares at Cost at December 31, 1999 and 1998, respectively	--	(13,800)
Accumulated Deficit	(133,345,400)	(122,036,300)
Total Stockholders' Equity	17,413,000	18,769,600
Total Liabilities and Stockholders' Equity	$ 19,882,700	$ 22,650,100

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED DECEMBER 31, 1998	YEAR ENDED DECEMBER 31, 1997
OPERATING REVENUE:			
Product Development and Licensing Agreements	$ 1,483,500	$ 2,094,500	$ 1,147,600
Product Sales	--	55,900	44,500
Total Operating Revenue	1,483,500	2,150,400	1,192,100
OPERATING EXPENSE:			
Research and Development	7,871,800	5,703,100	5,256,900
General and Administrative	4,280,200	3,808,100	3,472,900
Cost of Product Sales	--	22,300	21,000
Charge for Purchased In-Process Research & Development	--	44,630,000	--
Legal Settlement	--	(165,600)	6,108,800
Amortization of Goodwill	1,275,800	546,400	--
Total Operating Expense	13,427,800	54,544,300	14,859,600
Operating Loss	(11,944,300)	(52,393,900)	(13,667,500)
Non-Operating Income, Net	635,200	594,200	559,500
Net Loss	$(11,309,100)	$(51,799,700)	$(13,108,000)
Basic and Diluted Net Loss Per Common Share	$ (0.26)	$ (1.56)	$ (0.52)
Weighted Average Common Shares Outstanding	44,076,400	33,177,200	25,139,900

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997

	Shares	Common Stock Par Value	Additional Paid-In Capital	Treasury Stock Cost	Accumulated Deficit	Total Stockholders' Equity
BALANCE AT DECEMBER 31, 1996	24,965,400	$ 25,000	$ 72,791,800	$(69,000)	$ (57,128,600)	$15,619,200
Issuance at $1.81 to $2.13 per Share upon Exercise of Stock Options	12,000	--	22,400	--	--	22,400
Employee Stock Purchase Plan Issuance at $1.38 and $1.39 per Share	--	--	(20,700)	33,200	--	12,500
Issuance at $2.50 per Share for Settlement of Litigation	1,500,000	1,500	3,748,500	--	--	3,750,000
Compensation Expense Associated with Issuance at $1.94 per Share	10,000	--	19,400	--	--	19,400
Net Loss for the Year Ended December 31, 1997	--	--	--	--	(13,108,000)	(13,108,000)
BALANCE AT DECEMBER 31, 1997	26,487,400	$ 26,500	$ 76,561,400	$(35,800)	$ (70,236,600)	$ 6,315,500
Issuance at $0.60 to $1.81 per Share upon Exercise of Stock Options	11,400	--	15,300	--	--	15,300
Employee Stock Purchase Plan Issuance at $1.65 and $1.94 per Share	--	--	(10,700)	22,000	--	11,300
Returned Shares from Settlement of Litigation at $2.50 per Share	(66,300)	--	(165,600)	--	--	(165,600)
Net Proceeds from Stock Issuance	2,043,500	2,000	3,697,800	--	--	3,699,800
Share Issued for Acquisition of Virus Research Institute, Inc.	14,036,400	14,000	60,679,000	--	--	60,693,000
Net Loss for the Year Ended December 31, 1998	--	--	--	--	(51,799,700)	(51,799,700)
BALANCE AT DECEMBER 31, 1998	42,512,400	$ 42,500	$ 140,777,200	$(13,800)	$(122,036,300)	$18,769,600
Issuance at $0.10 to $1.81 per Share upon Exercise of Stock Options	152,100	100	102,000	--	--	102,100
Employee Stock Purchase Plan Issuance at $1.46 to $1.78 per Share	3,500	--	(2,200)	13,800	--	11,600
Net Proceeds from Stock Issuance	5,459,400	5,500	9,833,300	--	--	9,838,800
Net Loss for the Year Ended December 31, 1999	--	--	--	--	(11,309,100)	(11,309,100)
BALANCE AT DECEMBER 31, 1999	48,127,400	$ 48,100	$ 150,710,300	$ --	$(133,345,400)	$17,413,000

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED DECEMBER 31, 1998	YEAR ENDED DECEMBER 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	$ (11,309,100)	$ (51,799,700)	$ (13,108,000)
Adjustments to Reconcile Net Loss to Cash Used by Operating Activities:			
Depreciation and Amortization	1,988,600	989,800	353,800
Write-off of Capitalized Patent Costs	105,900	337,000	51,100
Non-Cash Portion of Litigation Settlement	--	(165,600)	5,250,000
Compensation Expense Associated with Stock Issuance	--	--	19,400
Gain on Sale of Equipment	--	(22,300)	--
Charge for Purchased In-Process Research and Development	--	44,630,000	--
Changes in Assets and Liabilities, Net of Acquisition:			
Current Portion Restricted Cash	750,000	--	(750,000)
Prepaid and Other Current Assets	190,700	(1,529,900)	81,700
Accounts Payable and Accrued Expenses	358,400	(1,291,300)	(343,400)
Deferred Revenue	(750,000)	--	750,000
Lease Receivable	395,600	--	--
Lease Payable	(269,200)	--	--
Net Cash Used by Operating Activities	(8,539,100)	(8,852,000)	(7,695,400)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of Property and Equipment	(688,500)	(294,800)	(76,900)
Proceeds from the Sale of Equipment	--	25,200	--
Redemption of Marketable Securities	4,903,100	4,463,000	--
Increase in Patents and Licenses	(344,200)	(426,000)	(381,200)
Decrease in Long-Term Restricted Cash, Net	148,000	160,000	160,000
Cash Received from Acquisition of Virus Research Institute, Inc.	--	4,391,500	--
Payment of Notes Payable	(750,000)	(750,000)	--
Payment Received on Convertible Note Receivable	--	--	1,802,700
Other	--	57,600	400
Net Cash Provided by Investing Activities	3,268,400	7,626,500	1,505,000
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Proceeds from Stock Issuance	9,850,400	3,711,100	12,500
Proceeds from Exercise of Stock Options	102,100	15,300	22,400
Net Cash Provided by Financing Activities	9,952,500	3,726,400	34,900
Increase (Decrease) in Cash and Cash Equivalents	4,681,800	2,500,900	(6,155,500)
Cash and Cash Equivalents at Beginning of Period	8,937,200	6,436,300	12,591,800
Cash and Cash Equivalents at End of Period	$ 13,619,000	$ 8,937,200	$ 6,436,300

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1999, 1998 and 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) NATURE OF BUSINESS

AVANT Immunotherapeutics, Inc. ("AVANT") is a biopharmaceutical company engaged in the discovery, development and commercialization of products that harness the human immune response to prevent and treat disease. We develop and commercialize products on a proprietary basis and in collaboration with established pharmaceutical partners, including Novartis Pharma AG, AstraZeneca plc, Yamanouchi Pharmaceutical Co., Ltd., Aventis Pasteur, SmithKline Beecham plc and Heska Corporation.

In September 1999, we completed a private placement of 5,459,400 shares of common stock to institutional investors at a price of $1.92 per share. Net proceeds from the common stock issuance totaled approximately $9,838,800. In March 1998, we completed a private placement of 2,043,500 shares of common stock to institutional investors at a price of $1.90 per share. Net proceeds from the common stock issuance totaled approximately $3,699,800. On August 21, 1998, AVANT acquired all of the outstanding capital stock of Virus Research Institute, Inc. ("VRI"), a company engaged in the discovery and development of (i) systems for the delivery of vaccines and immunotherapeutics and (ii) novel vaccines (see Note 14).

AVANT's cash and cash equivalents at December 31, 1999 was $13,619,000. Our working capital at December 31, 1999 was $12,289,200. We incurred a loss of $11,309,100 for the year ended December 31, 1999. AVANT believes that cash inflows from existing grants and collaborations, interest income on invested funds and our current cash, cash equivalents, and marketable securities will be sufficient to meet estimated working capital requirements and fund operations beyond December 31, 2000. The working capital requirements of AVANT are dependent on several factors including, but not limited to, the costs associated with research and development programs, preclinical and clinical studies and the scope of collaborative arrangements. During 2000, we expect to take steps to raise additional capital including, but not limited to, licensing of technology programs with existing or new collaborative partners, possible business combinations, or issuance of common stock via private placement and public offering. There can be no assurances that such efforts will be successful.

In July 1999, Novartis exercised its option to license TP10 for use in the field of transplantation. The decision to license TP10 resulted in a $6 million payment by Novartis which was received by AVANT in January 2000. The payment included an equity investment of $2,307,700 for 1,439,496 shares of our common stock at $1.60 per share and a license fee of $3,692,300.

In March 1996, we sold substantially all of the assets of our wholly-owned subsidiary, T Cell Diagnostics, Inc while retaining all rights to the TRAx(R) product franchise. In August 1999, we sold the TRAx(R) line of diagnostic products and the TRAx(R) technology to Innogenetics, Inc. for a combination of cash and future royalty payments.

(B) BASIS OF PRESENTATION

The consolidated financial statements include the accounts of AVANT Immunotherapeutics, Inc. and our wholly owned subsidiary Polmerix, Inc. All intercompany transactions have been eliminated.

(C) CASH EQUIVALENTS AND INVESTMENTS

AVANT considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Short-term investments are those with maturities in excess of three months but less than one year. All cash equivalents and short-term investments have been classified as available for sale and are reported at fair market value with unrealized gains and losses included in stockholders' equity.

In addition to cash equivalents, at December 31, 1998, we had investments in corporate and municipal debt securities that are classified in the balance sheet as held-to-maturity in accordance with the provisions of Statement of Financial Accounting Standards No. 115 ("SFAS 115"), "Accounting for Certain Instruments in Debt and Equity Securities." Held-to-maturity investments are securities we have the positive intent and ability to hold to maturity. These securities are accounted for at amortized cost, which approximates fair value.

We invest our non-operating cash in debt instruments of financial institutions, government entities and corporations, and mutual funds. We have established guidelines relative to credit ratings, diversification and maturities that maintain safety and liquidity.

(D) FAIR VALUE OF FINANCIAL INSTRUMENTS

AVANT enters into various types of financial instruments in the normal course of business. Fair values for cash, cash equivalents, short-term investments, accounts and notes receivable, accounts and notes payable and accrued expenses approximate carrying value at December 31, 1999 and 1998, due to the nature and the relatively short maturity of these instruments.

(E) REVENUE RECOGNITION

AVANT has entered into various license and development agreements with pharmaceutical and biotechnology companies. Nonrefundable revenue derived from such agreements is recognized over the specified development period as research and development or discovery activities are performed. Cash received in advance of activities being performed is recorded as deferred revenue. Nonrefundable milestone fees are recognized when they are earned in accordance with the performance requirements and contractual terms. Revenues from product sales are recorded when the product is shipped.

(F) RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred.

(G) INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

(H) PROPERTY AND EQUIPMENT

Property and equipment is stated at cost and depreciated over the estimated useful lives of the related assets using the straight-line method. Laboratory equipment and office furniture and equipment are depreciated over a five year period and computer equipment is depreciated over a three year period. Leasehold improvements are amortized over the shorter of the estimated useful life or the noncancelable term of the related lease.

(I) LICENSES, PATENTS AND TRADEMARKS

Included in other assets are some costs associated with purchased licenses and some costs associated with patents and trademarks which are capitalized and amortized over the shorter of the estimated useful lives or ten years using the straight-line method. We periodically evaluate the recoverability of these assets in accordance with Statement of Financial Accounting Standards No. 121 ("SFAS 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of".

(J) LOSS PER SHARE

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128 ("SFAS 128"), "Earnings per Share", which changed the method of calculating earnings per share. SFAS 128, which we adopted in the fourth quarter of 1997, requires the presentation of "basic" earnings per share and "diluted" earnings per share. As a result of our net loss, both basic and diluted earnings per share are computed by dividing the net loss available to common shareholders by the weighted average number of shares of common stock outstanding.

(K) STOCK COMPENSATION

AVANT's employee stock compensation plans are accounted for in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." The Company adopted the disclosure requirements of Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation" (see Note 7).

(L) USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

2. SHORT-TERM INVESTMENTS AND RESTRICTED CASH

AVANT invests in high quality, short-term investments which are considered highly liquid and are available to support current operations. We also invest in high quality, debt securities which are classified as held-to-maturity. At December 31, 1999 and 1998, our investments that met the definition of cash equivalents were recorded at cost, which approximated fair value.

Pursuant to the terms of the settlement agreement between AVANT and our former landlord, we pledged as collateral $750,000 at December 31, 1998 (see Note 13). We also have $217,000 and $365,000 pledged as collateral at December 31, 1999 and 1998, respectively, in accordance with the terms of an operating lease (see Note 3).

3. PROPERTY, EQUIPMENT AND LEASES

Property and equipment includes the following:

	DECEMBER 31, 1999	DECEMBER 31, 1998
Laboratory Equipment	$ 2,595,400	$ 2,480,000
Office Furniture and Equipment	1,176,800	1,148,200
Leasehold Improvements	938,100	393,600
Property and Equipment, Total	4,710,300	4,021,800
Less Accumulated Depreciation and Amortization	(3,453,500)	(2,910,400)
	$ 1,256,800	$ 1,111,400

Depreciation expense related to equipment and leasehold improvements was approximately $543,100, $267,600 and $224,000 for the years ended December 31, 1999, 1998 and 1997, respectively.

In May 1996, we entered into a six-year lease for laboratory and office space in Needham, Massachusetts. The lease replaced two-year lease and sublease agreements entered into in March 1995 for the same location and increased the amount of office and laboratory space available.

In 1994, we entered into a lease agreement providing AVANT with the right to lease up to $2,000,000 of equipment for up to a five-year term. The lease agreement contains specified restrictive covenants determined at the end of each fiscal quarter which, for the quarter ended September 30, 1995, included a minimum cash, cash equivalents and short-term investments balance of $10,000,000. At September 30, 1995 our cash and cash equivalents balance was below $10,000,000. As a result, in accordance with the lease agreement, we pledged cash as collateral to the lessor equal to the amount outstanding on the lease which is to remain in a certificate of deposit until the end of the lease or as otherwise agreed by the lessor and AVANT. We have recorded $217,000 and $365,000 as long-term restricted cash at December 31, 1999 and 1998, respectively.

Obligations for base rent, net of sublease income, under these and other noncancelable operating leases as of December 31, 1999 are approximately as follows:

Year ending December 31,	2000	$ 741,200
	2001	709,200
	2002	252,100
	Total minimum lease payments	$ 1,702,500

Our total rent for all operating leases (including rent expense net of sublease income) was approximately $804,900, $909,500 and $851,400 for the years ended December 31, 1999, 1998 and 1997, respectively.

4. OTHER ASSETS

Other assets include the following:

	DECEMBER 31, 1999	DECEMBER 31, 1998
Capitalized Patent Costs	$ 2,101,300	$ 1,890,300
Accumulated Amortization	(715,300)	(595,500)
Capitalized Patent Costs, Net	1,386,000	1,294,800
Goodwill and Other Intangible Assets, Net of Accumulated Amortization of $1,822,200 and $546,400	2,013,500	3,289,300
Other Non Current Assets	124,000	146,600
	$ 3,523,500	$ 4,730,700

In December 1999 and 1998, in accordance with SFAS 121, we evaluated and subsequently wrote off approximately $105,900 and $294,500 of capitalized patent costs relating to our SMIR program and our TRAx(R) test kit program, respectively. These writeoffs were included in operating expense as general and administrative expense for the years ended December 31, 1999 and 1998.

Amortization expense for the years ended December 31, 1999, 1998 and 1997 relating to the capitalized costs of purchased licenses, patents and trademarks was approximately $169,700, $175,800 and $129,800, respectively. Goodwill amortization expense for the years ended December 31, 1999 and 1998 was approximately $1,275,800 and $546,400, respectively.

5. ACCRUED EXPENSES

Accrued expenses include the following:

	DECEMBER 31, 1999	DECEMBER 31, 1998
Accrued License Fees	$ 8,300	$ 60,000
Accrued Payroll and Employee Benefits	333,200	258,700
Accrued Clinical Trials	409,200	195,500
Accrued Legal	138,100	263,800
Other Accrued Expenses	442,700	406,700
	$ 1,331,500	$ 1,184,700

6. INCOME TAXES

	YEAR ENDED DECEMBER 31, 1999	1998	1997
Income tax benefit:			
Federal	$ 3,628,500	$ 17,640,500	$ 4,539,100
State	189,000	3,141,500	529,000
	3,817,500	20,782,000	5,068,100
Deferred tax assets valuation allowance	(3,817,500)	(20,782,000)	(5,068,100)
	$ --	$ --	$ --

Deferred tax assets are comprised of the following:

	DECEMBER 31, 1999	DECEMBER 31, 1998
Net Operating Loss Carryforwards	$ 39,851,000	$ 36,821,000
Tax Credit Carryforwards	4,742,000	4,427,000
Other	645,000	172,000
Gross Deferred Tax Assets	45,238,000	41,420,000
Deferred Tax Assets Valuation Allowance	(45,238,000)	(41,420,000)
	$ --	$ --

Reconciliation between the amount of reported income tax expenses and the amount computed using the U.S. Statutory rate of 35% follows:

	1999	1998	1997
Loss at Statutory Rates	$ (3,866,800)	$ (17,612,200)	$ (4,587,800)
Research and Development Credits	(200,000)	(218,700)	(172,100)
State tax benefit, net of federal tax liabilities	(747,200)	(514,000)	(591,500)
Other	438,300	190,400	283,300
Expiration of State NOLS	558,200	170,800	--
In Process R&D	--	15,174,200	--
Benefit of losses and credits not recognized, increase in valuation allowance	3,817,500	2,809,500	5,068,100
	$ --	$ --	$ --

AVANT has provided a full valuation allowance for deferred tax assets as management has concluded that it is more likely than not that we will not recognize any benefits from our net deferred tax asset. The timing and amount of future earnings will depend on numerous factors, including our future profitability. We will assess the need for a valuation allowance as of each balance sheet date based on all available evidence.

At December 31, 1999, we had U.S. net operating loss carryforwards of $104,000,000, U.S. capital loss carryforwards of $1,852,000, and U.S. tax credits of $3,467,000 which expire at various dates through 2019. Under the Tax Reform Act of 1986, substantial changes in our ownership could result in an annual limitation on the amount of net operating loss carryforwards, research and development tax credits, and capital loss carryforwards which could be utilized.

7. STOCKHOLDERS' EQUITY

(A) PUBLIC AND PRIVATE STOCK OFFERINGS

On September 22, 1999, we completed a private placement of 5,459,400 newly issued shares of common stock. Net proceeds were approximately $9,838,800 after deducting all associated expenses.

On March 24, 1998, we completed a private placement of 2,043,500 newly issued shares of common stock. Net proceeds were approximately $3,699,800 after deducting all associated expenses.

(B) PREFERRED STOCK

At December 31, 1999 and 1998, AVANT had authorized preferred stock comprised of 1,163,102 shares of convertible Class B and 3,000,000 shares of convertible Class C of which 350,000 shares has been designated as Class C-1 Junior Participating Cumulative, the terms of which are to be determined by our Board of Directors. There was no preferred stock outstanding at December 31, 1999 and 1998.

(C) WARRANTS

AVANT has issued warrants to purchase common stock in connection with the acquisition of VRI on August 21, 1998. The warrants are exercisable at $6.00 per share and expire August 22, 2003. In connection with the acquisition of VRI, we also assumed the obligations of VRI with respect to each outstanding warrant to purchase VRI common stock (a "VRI Warrant"). Each VRI Warrant assumed by AVANT, which will continue to have, and be subject to, the terms and conditions of the applicable warrant agreements and warrant certificates, has been adjusted consistent with the ratio at which our common stock was issued in exchange for VRI common stock in the acquisition.

Warrants outstanding at December 31, 1999 are as follows:

Security	Number of Shares	Exercise Price Per Share	Expiration Date
Common stock	35,657	$ .62	February 9, 2004
Common stock	76,842	1.26	December 14, 2005
Common stock	17,050	6.19	April 12, 2001
Common stock	1,811,843	6.00	August 22, 2003

(D) STOCK COMPENSATION AND EMPLOYEE STOCK PURCHASE PLANS

STOCK COMPENSATION

On May 6, 1999, AVANT's 1999 Stock Option and Incentive Plan (the "1999 Plan") was adopted. The 1999 Plan replaces the Amended and Restated 1991 Stock Compensation Plan, which was an amendment and restatement of our 1985 Incentive Option Plan. The 1999 Plan permits the granting of incentive stock options (intended to qualify as such under Section 422A of the Internal Revenue Code of 1986, as amended), non-qualified stock options, stock appreciation rights, performance share units, restricted stock and other awards of restricted stock in lieu of cash bonuses to employees, consultants and outside directors.

The 1999 Plan allows for a maximum of 2,000,000 shares of common stock to be issued prior to May 6, 2009. The Board of Directors determines the term of each option, option price, number of shares for which each option is granted and the rate at which each option vests. All options vested either on the first anniversary date or over a four year period and the term of each option cannot exceed ten years (five years for options granted to holders of more than 10% of the voting stock of AVANT). The exercise price of stock options shall not be less than the fair market value of the common stock at the date of grant (110% of fair market value for options granted to holders of more than 10% of the voting stock of AVANT).

In connection with the acquisition of VRI, we assumed the obligations of VRI under VRI's 1992 Equity Incentive Plan (the "VRI Plan") and each outstanding option to purchase VRI common stock (a "VRI Stock Option") granted under the VRI Plan. Each VRI Stock Option assumed by AVANT is deemed to constitute an option to acquire, on the same terms and conditions as were applicable under the VRI Plan, shares of AVANT's common stock which has been adjusted consistent with the ratio at which our common stock was issued in exchange for VRI's common stock in the acquisition. As of the date the acquisition was completed we assumed options to acquire 1,532,055 shares of our common stock at a weighted average exercise price of $2.34.

EMPLOYEE STOCK PURCHASE PLAN

The 1994 Employee Stock Purchase Plan (the "1994 Plan") was adopted on June 30, 1994. All full time employees of AVANT are eligible to participate in the 1994 Plan. A total of 150,000 shares of common stock are reserved for issuance under this plan. Under the 1994 Plan, each participating employee may contribute up to 15% of his or her compensation to purchase up to 500 shares of common stock per year in any public offering and may withdraw from the offering at any time before stock is purchased. Participation terminates automatically upon termination of employment. The purchase price per share of common stock in an offering is 85% of the lower of its fair market value at the beginning of the offering period or the applicable exercise date.

A summary of stock option activity for the years ended December 31, 1999, 1998 and 1997 is as follows:

	1999		1998		1997	
	Shares	Weighted Average Exercise Price Per Share	Shares	Weighted Average Exercise Price Per Share	Shares	Weighted Average Exercise Price Per Share
Outstanding at January 1,	3,354,708	$ 2.65	1,773,242	$ 3.20	2,303,196	$ 5.94
Granted	557,500	1.60	638,250	1.99	492,750	1.77
Assumed in acquisition	--	--	1,532,055	2.34	--	--
Exercised	(152,056)	0.67	(11,355)	1.34	(12,000)	1.86
Canceled	(621,593)	3.76	(577,484)	2.82	(1,010,704)	8.78
Outstanding at December 31,	3,138,559	$ 2.34	3,354,708	$ 2.65	1,773,242	$ 3.20
At December 31,						
Options exercisable	2,091,562		2,542,950		1,039,437	
Available for grant	2,833,818		1,095,206		1,296,716	
Weighted average fair value of options granted during year		$ 0.83		$ 1.10		$ 0.92

The following tables summarize information about the stock options outstanding at December 31, 1999:

	Options Outstanding		
Range of Exercise Prices	Number Outstanding at December 31, 1999	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price per Share
$ 0.30 - 0.64	556,062	4.46	$ 0.63
0.95 - 1.67	579,477	8.83	1.47
1.81 - 2.06	686,210	8.23	1.91
2.44 - 3.59	720,063	6.41	2.75
3.81 - 7.81	596,747	4.98	4.77
$ 0.30 - 7.81	3,138,559	6.64	$ 2.34

	Options Exercisable	
Range of Exercise Prices	Number Exercisable at December 31, 1999	Weighted Average Exercise Price per Share
$ 0.30 - 0.64	556,062	$ 0.63
0.95 - 1.67	115,291	1.58
1.81 - 2.06	225,711	1.88
2.44 - 3.59	597,751	2.79
3.81 - 7.81	596,747	4.77
$ 0.30 - 7.81	2,091,562	$ 2.62

FAIR VALUE DISCLOSURES

Had compensation costs for AVANT's stock compensation plans been determined based on the fair value at the grant dates, consistent with SFAS 123, our net loss, and net loss per share for the years ending December 31, 1999, 1998 and 1997 would be as follows:

	1999	1998	1997
Net Loss:			
As reported	$ 11,309,100	$ 51,799,700	$ 13,108,000
Pro forma	11,416,700	52,150,800	13,514,100
Basic and Diluted Net Loss Per Share:			
As reported	$ 0.26	$ 1.56	$ 0.52
Pro forma	0.26	1.57	0.54

The fair value of the option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	1999	1998	1997
Expected dividend yield	0%	0%	0%
Expected stock price volatility	63%	63%	57%
Risk-free interest rate	5.0% - 6.1%	4.5% - 5.6%	5.5% - 6.4%
Expected option term	2.5 Years	2.5 Years	2.7 Years

Because the determination of the fair value of all options granted includes an expected volatility factor in addition to the factors detailed in the table above, and because additional option grants are expected to be made each year, the above pro forma disclosures are not representative of pro forma effects of reported net income for future years.

(E) SHAREHOLDER RIGHTS PLAN

On November 10, 1994, AVANT's Board of Directors declared a dividend of one preferred share purchase right for each share of common stock outstanding. Each right entitles the holder to purchase from AVANT one-one thousandth of a share of Series C-1 Junior Participating Cumulative Preferred Stock (a "Unit"), par value $0.01 at a price of $16.00 per one-one thousandth of a share, subject to specified adjustments. The Units are exercisable only if a person or a group acquires 15% or more of the outstanding common stock of AVANT or commences a tender offer which would result in the ownership of 15% or more of our outstanding common stock. Once a Unit becomes exercisable, the plan allows our shareholders to purchase common stock at a substantial discount. Unless earlier redeemed, the Units expire on November 10, 2004. AVANT is entitled to redeem the Units at $0.01 per Unit subject to adjustment for any stock split, stock dividend or similar transaction.

As of December 31, 1999 and 1998, we have authorized the issuance of 350,000 shares of Series C-1 Junior Participating Cumulative Preferred Stock for use in connection with the shareholder rights plan.

(F) ACQUISITION OF VIRUS RESEARCH INSTITUTE, INC.

AVANT issued 14,036,400 shares of our common stock and warrants to purchase approximately 1,811,200 shares of our common stock on August 21, 1998, in exchange for all of the outstanding common stock of VRI (see Note 14).

8. RESEARCH AND LICENSING AGREEMENTS

AVANT has entered into licensing agreements with several universities and research organizations. Under the terms of these agreements, we have received licenses or options to license technology, specified patents or patent applications. We have made required payments of nonrefundable license fees and royalties which amounted to approximately $221,500, $100,000 and $65,000 for the years ended December 31, 1999, 1998 and 1997, respectively.

9. PRODUCT DEVELOPMENT AND DISTRIBUTION AGREEMENTS

AVANT's product development revenues were received from contracts with different organizations. Total revenue received by us in connection with these contracts for the years ended December 31, 1999, 1998 and 1997 were approximately $1,483,500, $2,094,500 and $1,147,600, respectively. A summary of these contracts follows:

(A) NOVARTIS PHARMA AG

In 1997, we entered into an option agreement with Novartis Pharma AG ("Novartis"), a worldwide pharmaceutical company headquartered in Basel, Switzerland, relating to the development of TP10 for use in xenotransplantation (animal organs into humans) and allotransplantation (human to human). Under the agreement, we received annual option fees and supplies of TP10 for clinical trials in return for granting Novartis a two-year option to license TP10 with exclusive worldwide (except Japan) marketing rights. In July 1999, Novartis exercised its option to license TP10 for use in the field of transplantation. The decision to license TP10 resulted in a $6 million equity investment and license fee payment by Novartis which was received by AVANT in January 2000. Under the agreement, we may receive additional milestone payments based upon attainment of specified development and regulatory goals, which has an approximate aggregate value of up to $14 million. We may also receive funding for research as well as royalty payments on eventual product sales.

(B) SMITHKLINE BEECHAM

During 1997, AVANT entered into an agreement with SmithKline Beecham plc ("SmithKline") to collaborate on the development and commercialization of our oral rotavirus vaccine. Under the terms of the agreement, SmithKline received an exclusive worldwide license to commercialize AVANT's rotavirus vaccine. We were responsible for continuing the Phase II clinical efficacy study of the rotavirus vaccine, which was completed in August 1998. Subject to the development by SmithKline of a viable manufacturing process, SmithKline is required to assume responsibility for all

subsequent clinical trials and all other development activities. SmithKline made an initial license payment in 1997 upon execution of the agreement and has agreed to make further payments upon the achievement of specified milestones. In addition, we will be entitled to royalties based on net sales of the rotavirus vaccine. In June 1999, we received a milestone payment of $500,000 from SmithKline for the successful completion of the Phase II clinical efficacy study and the establishment of a commercially viable process for manufacture of the vaccine.

(C) ASTRAZENECA

In 1992, we entered into a product development and distribution agreement with AstraZeneca plc ("Astra"), a worldwide pharmaceutical company headquartered in Sodertalje, Sweden, for the joint development and marketing of therapeutic products using our proprietary T cell antigen receptor ("TCAR") technology. The products developed exclusively and jointly with Astra were monoclonal antibodies and protein-derived immunomodulators that may have efficacy in treating autoimmune diseases such as multiple sclerosis, Crohn's disease, and rheumatoid arthritis.

In 1996, we suspended further internal funding of the research and development of the TCAR program and further amended our agreement with Astra to transfer some of our rights to the TCAR technology to Astra in addition to sole responsibility for further development and commercialization of the TCAR technology. Under the amended agreement, we received an initial signing fee of $100,000 and could receive future milestone and royalty payments upon Astra's successful development and commercialization of the TCAR technology. In 1997, we recognized revenue from milestone payments from Astra of $650,000. In December 1999, we announced results of a Phase II study of the TCAR monoclonal antibody (ATM-027) being developed by Astra for the treatment of multiple sclerosis. The results showed that ATM-027 was safe and well tolerated, however, in the view of Astra, the reduction of disease activity in the study population did not reach a level that would be of value for those patients. Therefore, Astra made the decision to stop further development of ATM-027 for multiple sclerosis but is reviewing development of the TCAR peptide as a vaccine for multiple sclerosis under the terms of the TCAR agreement.

(D) AVENTIS PASTEUR

In 1994, AVANT entered into a license agreement with Aventis Pasteur ("Aventis") which granted Aventis the exclusive right to make, use and sell Adjumer(R)-formulated vaccines for prevention of influenza, Lyme disease and diseases caused by meningococcus and the co-exclusive right (exclusive, except for the right of AVANT or one other person licensed by AVANT) to make, use and sell Adjumer(R)-formulated vaccines directed against five other pathogens, including pneumococcus and RSV. We have retained rights to make, use, sell and license Adjumer(R)-formulated vaccines against the subject infections in most of the Far East, including China and Japan, subject to geographical extension rights available to Aventis. In December 1998, we received a milestone payment of $600,000 from Aventis upon commencement of the first Phase I clinical trial of the Adjumer(R)-formulated vaccine for RSV.

(E) HESKA CORPORATION

In January 1998, AVANT entered into an agreement with Heska Corporation ("Heska") whereby Heska was granted the right to use PCPP in specified animal health vaccines. The agreement provides for the payment of license fees, milestone and royalties based on net sales of PCPP-formulated animal vaccines. In September 1999, we received a payment from Heska for the achievement of a major milestone in efforts to develop and utilize the PCPP polymer as an adjuvant in Heska's animal health vaccine against B. henselae, the bacterium that causes Cat Scratch Disease in humans.

10. NON-OPERATING INCOME

Non-operating income includes the following:

	YEAR ENDED DECEMBER 31, 1999	1998	1997
Interest and Dividend Income	$ 635,200	$ 571,900	$ 577,300
Gain on Sale of Equipment	--	22,300	--
Loss on Sale of Investments	--	--	(17,800)
	$ 635,200	$ 594,200	$ 559,500

11. DEFERRED SAVINGS PLAN

Under section 401(k) of the Internal Revenue Code of 1986, as amended, the Board of Directors adopted, effective May 1990, a tax-qualified deferred compensation plan for employees of AVANT. Participants may make tax deferred contributions up to 15%, or $10,000, of their total salary in 1999. AVANT may, at its discretion, make contributions to the plan each year matching up to 1% of the participant's total annual salary. AVANT contributions amounted to $30,100, $20,100 and $20,600 for the years ended December 31, 1999, 1998 and 1997, respectively.

12. FOREIGN SALES

Product sales were generated geographically as follows:

NET PRODUCT SALES FOR THE TWELVE MONTHS ENDED	EUROPE	USA	ASIA	OTHER	TOTAL
December 31, 1999	$ --	$ --	$ --	$ --	$ --
December 31, 1998	5,000	31,000	--	20,000	56,000
December 31, 1997	5,000	29,000	--	11,000	45,000

13. LITIGATION

In December 1994, AVANT filed a lawsuit in the Superior Court of Massachusetts against the landlord of our former Cambridge, Massachusetts headquarters to recover the damages incurred by AVANT resulting from the evacuation of the building due to air quality problems, which caused skin and respiratory irritation to a significant number of employees. The landlord defendant filed counterclaims, alleging we breached our lease obligations. The court ordered a limited trial between AVANT and the landlord on factual issues which began on November 20, 1996. Closing arguments for the limited trial were heard on January 13, 1997. In a separate lawsuit, the landlord's mortgagee filed claims against AVANT for payment of the same rent alleged to be owed. A motion for summary judgment filed by the bank was denied by the court. In August 1997, the Superior Court of Massachusetts entered findings of fact and conclusions of law on the limited trial of AVANT's lawsuit against the landlord. In its findings, the Court concluded that we had not proved, as alleged by us, that any fireproofing fibers contaminated our space, our space was not uninhabitable because of contamination from fireproofing fibers and we were not justified in terminating its lease on the grounds that our office and laboratories were uninhabitable. In November 1997, AVANT reached a settlement of the litigation with our former landlord and the landlord's mortgagee. We agreed to pay $858,800 in cash on November 17, 1997 and issue a total of 1,500,000 shares of our common stock. In addition, we signed a note for $750,000 payable on November 16, 1998 secured by $750,000 cash collateral and a note for $750,000 due November 15, 1999, secured by 132,500 shares of

common stock. The total settlement, valued at $6,108,800, is comprised of the cash and notes totaling $2,358,800 and common stock valued at $3,750,000 as of October 31, 1997 and is included in operating expense for the year ended December 31, 1997. The common stock issued is subject to restrictions on transfer per the settlement agreement. The settlement agreement also provides for specific registration rights for the shares of common stock to become effective no later than September 30, 1998. Upon such registration, however, the settlement agreement limits the number of shares that may be sold over a given period of time.

In May 1998, we used cash as collateral for a $750,000 note due November 15, 1999 issued in connection with a settlement agreement with our former landlord and the landlord's mortgagee. In accordance with the settlement agreement, 66,250 shares of our common stock issued to secure the note were returned to AVANT. The common stock was valued at $165,600 as of October 31, 1997 and its return is included as a reduction of operating expense in 1998. In November 1999, the note was paid in full.

14. ACQUISITION OF VIRUS RESEARCH INSTITUTE, INC.

On August 21, 1998, AVANT acquired all of the outstanding capital stock of VRI, a company engaged in the discovery and development of (i) systems for the delivery of vaccines and immunotherapeutics and (ii) novel vaccines. We issued approximately 14,036,400 shares of AVANT's common stock and warrants to purchase approximately 1,811,200 shares of AVANT's common stock in exchange for all of the outstanding common stock of VRI, on the basis of 1.55 shares of AVANT's common stock and .20 of an AVANT warrant for each share of VRI common stock. The purchase price of $63,004,700 consisted of (i) the issuance of 14,036,400 shares of AVANT common stock valued at $51,686,800 and 1,811,200 AVANT warrants valued at $4,980,700 for all outstanding VRI capital stock, (ii) the issuance of AVANT warrants valued at $387,600 in exchange for all of the outstanding VRI warrants, (iii) the issuance of options to purchase AVANT common stock valued at $3,637,900 for all of the outstanding options to purchase VRI common stock assumed by us, and (iv) severance and transaction costs totaling $2,311,700. As of the date of the acquisition of VRI, the Company had already begun to formulate a plan to assess which activities of VRI to continue and to identify all significant actions to be taken to terminate a number of VRI employees and to relocate the remaining employees from the VRI facility in Cambridge, MA (which was to be closed) to our facility in Needham, MA. The costs associated with this plan, including severance costs of approximately $243,000, were recognized upon consummation of the merger and are included in the $2,311,700 referenced above. The plan was finalized and implemented during 1998 and the first quarter of 1999. Actual costs were not materially different from those accrued at the acquisition date and were paid in 1998 and early 1999.

The acquisition has been accounted for as a purchase. Consequently, the operating results of VRI from the acquisition date have been included in our consolidated results of operations. The purchase price was allocated to the acquired assets and assumed liabilities, based upon their fair value at the date of acquisition, as follows:

Net tangible assets acquired	$ 14,539,000
Intangible assets acquired:	
Work force	470,000
Collaborative relationships	1,090,000
Goodwill	2,275,700
In-process technology	44,630,000
Total	$ 63,004,700

The values assigned to the intangible assets acquired, including the IPR&D, were determined based on fair market value using a risk adjusted discounted cash flow approach. VRI was a development stage biotechnology enterprise and its resources were substantially devoted to research and development at the date of acquisition. Management is responsible for determining the fair value of the acquired IPR&D.

Each of VRI's six research and development projects in-process was valued through detailed analysis of product development data concerning the stage of development, time and resources needed to complete the project, expected income-generating ability and associated risks. The significant assumptions underlying the valuations included potential revenues, costs of completion, the timing of product releases and the selection of an appropriate discount rate. None of

VRI's projects have reached technological feasibility nor do they have any alternative future use. Consequently, in accordance with generally accepted accounting principles, the amount allocated to IPR&D was charged as an expense in the AVANT consolidated financial statements for the year ended December 31, 1998. The remaining intangible assets arising from the acquisition are being amortized on a straight line basis over 12 months and 60 months.

A discussion of the in-process research and development projects identified at the time of acquisition follows. The projected costs to complete the projects represent costs to be incurred by AVANT and do not include any costs to be expended by our collaborators. (i) Adjumer(R) vaccine delivery system. Adjumer(R) is being developed as an adjuvant to enhance the immune response to injected vaccines. AVANT and our collaborator, Aventis, are conducting research on the development of Adjumer(R)-formulated vaccines utilizing a variety of Aventis' antigens, including influenza, lyme disease, pneumococcus, meningococcus, RSV and hepatitis B. As of the acquisition date, with projected release dates ranging from 2001 to 2004, the estimated cost to complete the project for all antigens exceeded $9,500,000. In addition, substantial additional work is required by Aventis prior to commercialization. Discount rates ranging from 42.5% to 47.5% were used in determining the IPR&D value of $15,450,000 which was assigned to the Adjumer(R) vaccine delivery system. (ii) Micromer(R) vaccine delivery system. Micromer(R) is a proprietary vaccine delivery system designed to facilitate the mucosal (intranasal or oral) delivery of antigens and stimulate both the systemic and mucosal branches of the immune system. AVANT is conducting research on a number of Micromer(R)-formulated vaccines, including influenza and RSV. As of the acquisition date, the estimated cost to complete the development of Micromer(R)-formulated vaccines for influenza and RSV exceeded $3,300,000 with projected release dates of 2002 and 2004, respectively. A discount rate of 45% was utilized in determining the IPR&D value of $3,260,000 which was assigned to Micromer(R). (iii) Vibrio Vec(TM) vaccine delivery system. Vibrio Vec(TM) is a proprietary vaccine and immunotherapeutic system that uses a bacterial vector for the oral delivery of antigens. AVANT is conducting research on a number of antigens proposed to be delivered by Vibrio Vec(TM), including, in conjunction with our collaborators, Pasteur Merieux-Oravax and CSL, Ltd., a vaccine targeting H. pylori. At the acquisition date, the projected product release date was 2003 and the approximate research and development cost required to complete the Vibrio Vec(TM) project totaled approximately $900,000. A discount rate of 45% was used in determining the IPR&D value of $2,450,000 which was assigned to Vibrio Vec(TM) at the time of acquisition. (iv) Rotavirus vaccine. A collaboration with SmithKline was established by AVANT to develop and commercialize our novel, proprietary vaccine against rotavirus infection, a major cause of diarrhea and vomiting in infants. At the acquisition date, a project release date was projected of 2002, with $1,200,000 in additional research and development expenditures anticipated. In addition, substantial work is required to be completed by SmithKline prior to commercialization of the rotavirus vaccine. An IPR&D value of $3,120,000 was assigned to the rotavirus vaccine utilizing a discount rate of 45%. (v) Herpes vaccine. The herpes vaccine is a proprietary vaccine for the prevention of genital herpes ("HSV2"). At the time of acquisition, the vaccine was in a preclinical development stage with a projected product release date of 2007 and an estimated cost to complete of $1,600,000. A discount rate of 45% was utilized in determining the IPR&D value of $2,240,000 which was assigned to the herpes vaccine. (vi) Therapore(TM). AVANT was granted an exclusive worldwide license from Harvard for Therapore(TM), a novel technology for the development of immunotherapeutics. We are conducting preclinical research to evaluate this system for the treatment of persistent viral infections, such as Hepatitis B, Hepatitis C and HIV, and some forms of cancer including melanoma. The first release date for a Therapore(TM) product is estimated to be in 2004 and the projected research and development cost to complete all indications of Therapore(TM) approximated $41,200,000 at the acquisition date. A discount rate of 50% was utilized in determining the IPR&D value of $18,110,000 which was assigned to Therapore(TM).

As of December 31, 1999, the technological feasibility of the projects had not yet been reached and no significant departures from the assumptions included in the valuation analysis had occurred. Substantial additional research and development will be required prior to reaching technological feasibility. In addition, each product needs to successfully complete a series of clinical trials and to receive FDA approval prior to commercialization. We are also dependent upon the activities of our collaborators in developing and marketing our products. There can be no assurance that these projects will ever reach feasibility or develop into products that can be marketed profitably, nor can there be assurance AVANT and our collaborators will be able to develop and commercialize these products before our competitors. If these products are not successfully developed and do not become commercially viable, our financial condition and results of operations could be materially affected.

The following unaudited pro forma financial summary is presented as if the operations of AVANT and VRI were combined as of January 1, 1998 and 1997, respectively. The unaudited pro forma combined results are not necessarily indicative of the actual results that would have occurred had the acquisition been consummated at that date, or of the future operations of the combined entities. Nonrecurring charges, such as the acquired in-process research and development charge of $44,630,000, are not reflected in the following pro forma financial summary.

Year Ended December 31,	1998	1997
Operating Revenue	$ 2,206,500	$ 3,697,600
Net Loss	(13,389,800)	(21,311,500)
Basic and diluted net loss per share	(0.32)	(0.54)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AVANT IMMUNOTHERAPEUTICS, INC.		DATE
by:	s/UNA S. RYAN --- Una S. Ryan President and Chief Executive Officer	July 20, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
s/J. BARRIE WARD --- (J. Barrie Ward)	Chairman	July 20, 2000
s/UNA S. RYAN --- (Una S. Ryan)	President, Chief Executive Officer, and Director	July 20, 2000
s/AVERY W. CATLIN --- (Avery W. Catlin)	Senior Vice President, Chief Financial Officer and Treasurer	July 20, 2000
s/FREDERICK W. KYLE --- (Frederick W. Kyle)	Director	July 20, 2000
--- (John W. Littlechild)	Director	
--- (Thomas R. Ostermueller)	Director	
s/HARRY H. PENNER, JR. --- (Harry H. Penner, Jr.)	Director	July 20, 2000
s/PETER A. SEARS --- (Peter A. Sears)	Director	July 20, 2000