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 QUARTERLY PERIOD ENDED SEPTEMBER 30, 2000

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

DELAWARE	NO. 13-3191702
(State of Incorporation)	(I.R.S. Employer Identification No.)

119 FOURTH AVENUE, NEEDHAM, MASSACHUSETTS 02494-2725
(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No .
--- ---

State the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date:

CLASS	SHARES OUTSTANDING AS OF NOVEMBER 3, 2000
Common Stock, $.001 par value	55,017,044

Exhibit index located on page 16

AVANT IMMUNOTHERAPEUTICS, INC.

FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2000
TABLE OF CONTENTS

PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	SEPTEMBER 30, 2000	DECEMBER 31, 1999
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 48,505,000	$ 13,619,000
Current Portion Lease Receivable	431,700	431,700
Prepaid Expenses and Other Current Assets	629,700	439,000
Total Current Assets	49,566,400	14,489,700
Property and Equipment, Net	990,400	1,256,800
Restricted Cash	--	217,000
Long-Term Lease Receivable	71,900	395,700
Other Assets	3,225,100	3,523,500
Total Assets	$ 53,853,800	$ 19,882,700
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 722,400	$ 575,300
Accrued Expenses	1,460,600	1,331,500
Current Portion Deferred Revenue	615,400	--
Current Portion Lease Payable	293,700	293,700
Total Current Liabilities	3,092,100	2,200,500
Long-Term Deferred Revenue	2,615,400	--
Long-Term Lease Payable	45,500	269,200
Stockholders' Equity:		
Common Stock, $.001 Par Value; 75,000,000 Shares Authorized; 54,986,000 Issued and Outstanding at September 30, 2000 and 48,127,400 Issued and Outstanding at December 31, 1999	55,000	48,100
Additional Paid-In Capital	189,872,100	150,710,300
Accumulated Deficit	$(141,826,300)	(133,345,400)
Total Stockholders' Equity	48,100,800	17,413,000
Total Liabilities and Stockholders' Equity	$ 53,853,800	$ 19,882,700

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED
(UNAUDITED)

	SEPTEMBER 30, 2000	SEPTEMBER 30, 1999
OPERATING REVENUE:		
Product Development and Licensing Agreements	$ 153,900	$ 297,700
OPERATING EXPENSE:		
Research and Development	3,292,700	1,731,200
General and Administrative	1,050,500	916,100
Amortization of Goodwill	137,300	318,900
Total Operating Expenses	4,480,500	2,966,200
Operating Loss	(4,326,600)	(2,668,500)
Interest Income	693,000	116,500
Net Loss	$(3,633,600)	$(2,552,000)
Basic and Diluted Net Loss Per Common Share	$ (0.07)	$ (0.06)
Weighted Average Common Shares Outstanding	54,143,700	43,134,600

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED
(UNAUDITED)

	SEPTEMBER 30, 2000	SEPTEMBER 30, 1999
OPERATING REVENUE:		
Product Development and Licensing Agreements	$ 461,600	$ 1,483,500
OPERATING EXPENSE:		
Research and Development	7,072,700	5,350,800
General and Administrative	3,194,800	3,079,100
Legal Settlements	(500,000)	--
Amortization of Goodwill	411,900	1,138,500
Total Operating Expenses	10,179,400	9,568,400
Operating Loss	(9,717,800)	(8,084,900)
Interest Income	1,236,900	434,900
Net Loss	$(8,480,900)	$(7,650,000)
Basic and Diluted Net Loss Per Common Share	$ (0.17)	$ (0.18)
Weighted Average Common Shares Outstanding	51,347,300	42,732,400

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED
(UNAUDITED)

	SEPTEMBER 30, 2000	SEPTEMBER 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$(8,480,900)	$(7,650,000)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization	919,800	1,692,900
Changes in Assets and Liabilities:		
Prepaid Expenses and Other Current Assets	(190,700)	(11,200)
Accounts Payable and Accrued Expenses	276,200	(533,500)
Deferred Revenue	3,230,800	(750,000)
Lease Receivable	323,800	287,700
Lease Payable	(223,700)	(211,900)
Net Cash Used in Operating Activities	(4,144,700)	(7,176,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Property and Equipment	(125,300)	(580,400)
Redemption of Marketable Securities	--	4,903,100
Decrease in Restricted Cash	217,000	100,000
Increase in Patents and Licenses	(229,700)	(208,700)
Net Cash Provided by (Used in) Investing Activities	(138,000)	4,214,000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the Exercise of Stock Options	2,066,500	28,100
Proceeds from the Exercise of Warrants	313,600	--
Net Proceeds from Stock Issuance	36,788,600	9,845,400
Net Cash Provided by Financing Activities	39,168,700	9,873,500
Increase (Decrease) in Cash and Cash Equivalents	34,886,000	6,911,500
Cash and Cash Equivalents at Beginning of Period	13,619,000	8,937,200
Cash and Cash Equivalents at End of Period	$48,505,000	$15,848,700

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

(1) 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. Our lead therapeutic program is focused on compounds that inhibit the inappropriate activity of the complement cascade, a vital part of the body's immune defense system. AVANT is also developing on its own a proprietary therapeutic vaccine for the management of atherosclerosis and Therapore-TM-, a novel system for the delivery of immunotherapeutics for chronic viral infections and certain cancers. AVANT and its collaborators are developing vaccines using the proprietary adjuvants, Adjumer-Registered Trademark- and Micromer-Registered Trademark-, for the prevention of respiratory syncytial virus (RSV), Lyme disease and several other vaccine targets. Through additional collaboration, we are also developing an oral human rotavirus vaccine and an oral cholera vaccine.

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

(2) INTERIM FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements for the three months and nine months ended September 30, 2000 and 1999 include the consolidated accounts of AVANT and have been prepared in accordance with generally accepted accounting principles and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, the information contained herein reflects all adjustments, consisting solely of normal recurring adjustments, that are necessary to present fairly the financial positions at September 30, 2000 and December 31, 1999, the results of operations for the quarters and nine months ended September 30, 2000 and 1999, and the cash flows for the nine months ended September 30, 2000 and 1999. The results of operations for the quarter and nine months ended September 30, 2000 are not necessarily indicative of results for any future interim period or for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted, although we believe that the disclosures included are adequate to make the information presented not misleading. The unaudited consolidated financial statements and the notes included herein should be read in conjunction with footnotes contained in AVANT's Annual Report on Form 10-K for the year ended December 31, 1999.

(3) NEW ACCOUNTING PRONOUNCEMENTS

During April 2000, the Financial Accounting Standards Board issued Financial Interpretation ("FIN") No. 44, "Accounting for Certain Transactions Involving Stock Compensation - an Interpretation of Accounting Principles Board ("APB") No. 25. Among other issues, FIN 44 clarifies (a) the definition of an employee, (b) criteria for determining whether a stock award plan qualifies as non-compensatory, and (c) the accounting consequences of various award modifications. This interpretation became effective July 1, 2000. We evaluated the effects of FIN 44 on our financial position and results of operations and have determined any such effects to be immaterial.

During September 2000, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 101B, an amendment to SAB 101, "Revenue Recognition in Financial Statements." SAB 101B defers the required implementation of SAB 101 until the fiscal quarter ended December 31, 2000. We do not expect SAB 101 to have any impact on our financial position and results of operations.

(4) PROPERTY AND EQUIPMENT

Property and equipment includes the following:

	September 30, 2000	December 31, 1999
Laboratory Equipment	$ 2,631,300	$ 2,595,400
Office Furniture and Equipment	1,245,800	1,176,800
Leasehold Improvements	958,500	938,100
Property and Equipment, Total	4,835,600	4,710,300
Less Accumulated Depreciation and Amortization	(3,845,200)	(3,453,500)
	$ 990,400	$ 1,256,800

(5) OTHER ASSETS

Other assets include the following:

	September 30, 2000	December 31, 1999
Capitalized Patent Costs	$2,331,000	$2,101,300
Accumulated Amortization	(831,500)	(715,300)
Capitalized Patent Costs, Net	1,499,500	1,386,000
Goodwill and Other Intangible Assets, Net of Accumulated Amortization of $2,234,100 and $1,822,200 at September 30, 2000 and December 31, 1999, respectively	1,601,600	2,013,500
Other Non Current Assets	124,000	124,000
	$3,225,100	$3,523,500

(6) COMMON STOCK

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. We are amortizing the license fee over twenty-four quarters, the projected development period for the licensed field.

On July 17, 2000, AVANT completed a private placement of approximately 4,650,000 shares of common stock to institutional investors at $7.85 per share. Net proceeds from the offering totaled approximately $34,594,400.

(7) NET INCOME (LOSS) PER SHARE

Consistent with SFAS 128, basic earnings (loss) per share amounts are based on the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share amounts are based on the weighted average number of shares of common stock and the potential common stock outstanding during the period. We have excluded all of the potential common stock shares from the calculation of diluted weighted average share amounts for the three-month and nine-month periods ended September 30, 2000 and 1999 as its inclusion would have been anti-dilutive.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: STATEMENTS CONTAINED IN THE FOLLOWING, ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, 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 AVANT. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO: (i) OUR ABILITY TO SUCCESSFULLY COMPLETE PRODUCT RESEARCH AND DEVELOPMENT, INCLUDING PRE-CLINICAL AND CLINICAL STUDIES, AND COMMERCIALIZATION; (ii) OUR ABILITY TO OBTAIN SUBSTANTIAL ADDITIONAL FUNDING; (iii) OUR ABILITY TO OBTAIN REQUIRED GOVERNMENTAL APPROVALS; (iv) OUR ABILITY TO ATTRACT MANUFACTURING, SALES, DISTRIBUTION AND MARKETING PARTNERS AND OTHER STRATEGIC ALLIANCES; AND (v) OUR ABILITY TO DEVELOP AND COMMERCIALIZE OUR PRODUCTS BEFORE OUR COMPETITORS.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

We are engaged in the discovery, development and commercialization of products that harness the human immune response to prevent and treat disease. Our products derive from a broad set of complementary technologies with the ability to inhibit the complement system, regulate T and B cell activity, and enable the creation and delivery of preventative and therapeutic vaccines. We are using these technologies to develop vaccines and immunotherapeutics that prevent or treat disease caused by infectious organisms, and drugs and treatment vaccines that modify undesirable activity by the body's own proteins or cells.

ACQUISITION

On August 21, 1998, we acquired Virus Research Institute, Inc. ("VRI"), a company engaged in the discovery and development of systems for the delivery of vaccines and immunotherapeutics, and novel vaccines for adults and children. AVANT issued 14,036,400 shares and warrants to purchase 1,811,200 shares of its common stock in exchange for all of the outstanding common stock of VRI, on the basis of 1.55 shares and .20 of a warrant to purchase one share of AVANT's common stock for each share of VRI common stock. The acquisition has been accounted for as a purchase. Consequently, the purchase price was allocated to the acquired assets and assumed liabilities based upon their fair value at the date of acquisition. The excess of the purchase price over the tangible assets acquired was assigned to collaborative relationships, work force and goodwill and is being amortized on a straight line basis over 12 to 60 months. An allocation of $44,630,000 was made to in-process research and development ("IPR&D") which represented purchased in-process technology which had not yet reached technological feasibility and had no alternative future use. The amount was charged as an expense in our financial statements during the third quarter of 1998.

NEW DEVELOPMENTS

COMPLEMENT INHIBITORS: In 1997, we entered into an agreement with Novartis relating to the development of TP10 for use in xenotransplantation (animal organs into humans) and allotransplantation (human organs into humans). We granted Novartis a two-year option to license TP10 with exclusive worldwide marketing rights (except Japan) in the fields of xenotransplantation and allotransplantation. In July 1999, Novartis exercised its option to license TP10 for use in the field of transplantation. In December 1999, the Novartis agreement was amended to include marketing rights for Japan. The decision to license TP10 resulted in a $6 million equity investment and license payment by Novartis which was received by AVANT in January 2000. Under the agreement, we may receive additional milestone payments of up to $14 million upon attainment of certain development and regulatory goals. We will also be entitled to royalties on product sales under the agreement.

We have elected to independently develop and commercialize TP10 for pediatric cardiac surgery. In September 1999, we initiated an open-label, Phase I/II trial of TP10 in infants undergoing cardiac

surgery for congenital heart defects. The trial evaluated the ability of TP10 to mitigate the injury to the heart and other organs that occurs when patients are placed on cardiopulmonary bypass circuits. TP10 was well tolerated in the study population and results of this Phase I/II trial were presented at the Society of Cardiovascular Anesthesiologists Annual Meeting in May 2000. In March 2000, we received orphan drug designation for TP10 in infants undergoing cardiac surgery. We currently expect to initiate controlled Phase IIb trials in this indication by the end of 2000. These studies will allow us to further define our clinical endpoints before starting a larger pivotal Phase III study.

We also plan to initiate a Phase II, multi-center trial for adult cardiac surgery during the fourth quarter of 2000, with an expectation to possibly partnering this program when additional clinical data are available.

ATHEROSCLEROSIS TREATMENT VACCINE: We are developing a therapeutic vaccine against endogenous cholesteryl ester transfer protein ("CETP") which may be useful in reducing risks associated with atherosclerosis. CETP is a key intermediary in the balance of HDL and LDL. We are developing a vaccine (CETi-1) to stimulate an immune response against CETP which we believe may improve the ratio of HDL to LDL cholesterol and reduce the progression of atherosclerosis. We have conducted preliminary studies of rabbits which have demonstrated the ability of CETi-1 vaccine to elevate HDL and reduce the development of blood vessel lesions. In September 1999, we initiated a double-blind placebo controlled, Phase I clinical trial of our CETi-1 vaccine in adult volunteers. The object of the study is to demonstrate the safety of single administrations of the vaccine at four different dosage strengths. Patient enrollment in this Phase I trial was completed in February 2000 and we expect to announce trial results in the fourth quarter of 2000. We plan to initiate a Phase II study around the end of 2000. As clinical data becomes available, we plan to seek a corporate partner to complete development and to commercialize the vaccine.

ROTAVIRUS VACCINE: Rotavirus is a major cause of diarrhea and vomiting in infants and children. No vaccine against rotavirus is currently on the market. In 1997, we licensed our oral rotavirus vaccine to SmithKline Beecham plc ("SmithKline"). In 1999, after our Phase II study demonstrated 89% protection in a study involving 215 infants, SmithKline paid us an additional license fee and assumed full responsibility for funding and performing all remaining clinical development. SmithKline has initiated Phase I/II bridging studies in Europe using its newly manufactured rotavirus vaccine, called Rotarix-TM-, and is now planning to start Phase III safety and efficacy studies in 2001 after review with health authorities. Assuming product development and commercialization continues satisfactorily, SmithKline will pay us additional milestones and a royalty based on sales.

CHOLERA VACCINE: We are developing a single dose, oral cholera vaccine using a live, genetically attenuated cholera strain. Based on this technology, developed in academia, we have developed the vaccine through early Phase II trials. We then negotiated a collaboration agreement under which a Phase IIb trial will be performed and funded by the Walter Reed Army Institute of Research ("WRAIR") and the National Institutes of Health (the "NIH"). This trial, set to begin in the fourth quarter of 2000, will test the safety, immunogenecity and protective capacity of the vaccine against a challenge with live virulent cholera. We will then determine our commercialization strategy with respect to the cholera vaccine based on clinical data from the trial.

RESULTS OF OPERATIONS

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2000 AS COMPARED WITH THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 1999

AVANT reported consolidated net loss of $3,633,600, or $.07 per share, for the third quarter ended September 30, 2000, compared with a net loss of $2,552,000, or $.06 per share, for the third quarter ended September 30, 1999. The weighted average common shares outstanding used to calculate net loss per common share was 54,143,700 in 2000 and 43,134,600 in 1999.

OPERATING REVENUE: Total operating revenue decreased $143,800, or 48.3%, to $153,900 for the third quarter of 2000 compared to $297,700 for the third quarter of 1999. This decrease is due primarily to differences in amortization between quarterly periods of revenue recognized from license and option payments received from Novartis in 2000 and 1999, respectively. During the third quarter of 2000, AVANT recognized revenue from a Novartis license payment which is being amortized over the projected development period of the licensed field or twenty-four quarters. During the third quarter of 1999, AVANT recognized revenue from a Novartis one-year option payment which was amortized over the option term.

OPERATING EXPENSE: Total operating expense increased $1,514,300, or 51.1%, to $4,480,500 for the third quarter of 2000 compared to $2,966,200 for the third quarter of 1999. The increase in total operating expense is primarily due to a significant increase in research and development expense partially offset by the reduction of goodwill amortization by $181,600 in the third quarter of 2000 compared with the same period last year due to cessation of goodwill amortization for certain acquired intangible assets having shorter useful lives. Research and development expense increased $1,561,500, or 90.2%, to $3,292,700 for the third quarter of 2000 compared to $1,731,200 for the third quarter of 1999. The increase in research and development expense is primarily due to increased clinical trials costs and clinical materials costs incurred in connection with our planned Phase II clinical trials of TP10 in pediatric and adult cardiac surgery, offset in part by lower consultant and personnel costs during the 2000 quarter. General and administrative expense increased $134,400, or 14.7%, to $1,050,500 for the third quarter of 2000 compared to $916,100 for the third quarter of 1999. The increase is primarily attributed to higher consultant, investor relations and personnel costs in 2000.

NON-OPERATING INCOME, NET: Non-operating income increased $576,500, or 494.8%, to $693,000 for the third quarter of 2000 compared to $116,500 for the third quarter of 1999. The increase is primarily due to an increase in interest income as a result of higher average cash balances and higher interest rates during the third quarter of 2000 compared to the third quarter of 1999.

NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2000 AS COMPARED WITH THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 1999

AVANT reported consolidated net loss of $8,480,900, or $.17 per share, for the nine months ended September 30, 2000, compared with a net loss of $7,650,000, or $.18 per share, for the nine months ended September 30, 1999. The weighted average common shares outstanding used to calculate net loss per common share was 51,347,300 in 2000 and 42,732,400 in 1999.

OPERATING REVENUE: Total operating revenue decreased $1,021,900, or 68.9%, to $461,600 for the first nine months of 2000 compared to $1,483,500 for the first nine months of 1999. This decrease is due primarily to differences in amortization of revenue recognized from license, option and milestone payments from our collaborators between the comparable nine-month periods. During the first nine months of 2000, AVANT recognized revenue from a Novartis license payment which is being recognized over the projected development period of the licensed field or twenty-four quarters. During the first nine months of 1999, AVANT recognized revenue from a Novartis one-year option payment which was amortized over the option term and a milestone payment received from SmithKline Beecham.

OPERATING EXPENSE: Total operating expense increased $611,000, or 6.4%, to $10,179,400 for the first nine months of 2000 compared to $9,568,400 for the first nine months of 1999. The increase in total operating expense is primarily due to a significant increase in research and development expense offset in part by the receipt of legal settlement payments totaling $500,000 in the first quarter of 2000 and the reduction of goodwill amortization by $726,600 in the first nine months of 2000 compared with the same period last year due to the cessation of goodwill amortization for certain acquired intangible assets having shorter useful lives. Research and development expense increased $1,721,900, or 32.2%, to $7,072,700 for the first nine months of 2000 compared to $5,350,800 for the first nine months of 1999. The increase in

research and development expense is due to increased clinical trials costs and clinical materials costs incurred in connection with our TP10 and CETi-1 clinical programs, offset in part by lower consultant, laboratory supplies and personnel costs. General and administrative expense increased $115,700, or 3.8%, to $3,194,800 for the first nine months of 2000 compared to $3,079,100 for the first nine months of 1999. The increase is primarily attributed to higher personnel and investor relations costs offset by decreased legal and consultant costs for the 2000 period.

NON-OPERATING INCOME, NET: Non-operating income increased $802,000, or 184.4%, to $1,236,900 for the first nine months of 2000 compared to $434,900 for the first nine months of 1999. The increase is primarily due to an increase in interest income as a result of higher average cash balances and higher interest rates during the first nine months of 2000 compared to the first nine months of 1999.

LIQUIDITY AND CAPITAL RESOURCES

AVANT ended the third quarter of 2000 with cash and cash equivalents of $48,505,000 compared to cash and cash equivalents of $13,619,000 at December 31, 1999. Cash used in operations was $4,144,700 in the first nine months of 2000 compared to $7,176,000 used in operations in the first nine months of 1999.

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 and a license fee of $3,692,300.

Also, during the first nine months of 2000, AVANT raised approximately $2,066,500 and $313,600 in additional equity investment through the exercise of stock options and warrants, respectively.

On July 17, 2000, AVANT completed a private placement of approximately 4,650,000 shares of common stock which generated net proceeds totaling approximately $34,594,400.

AVANT believes that cash inflows from existing collaborations, interest income on invested funds and our current cash and cash equivalents will be sufficient to meet estimated working capital requirements and fund operations for the next two years. 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 may 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.

YEAR 2000

THE STATEMENTS IN THIS SECTION INCLUDE THE "YEAR 2000 READINESS DISCLOSURE" WITHIN THE MEANING OF THE YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT. THIS SECTION CONTAINS CERTAIN STATEMENTS THAT ARE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. AVANT'S YEAR 2000 READINESS, AND THE EVENTUAL AFFECTS OF THE YEAR 2000 ON AVANT MAY BE MATERIALLY DIFFERENT THAN CURRENTLY PROJECTED. THIS MAY BE DUE TO, AMONG OTHER THINGS, THE INABILITY OF AVANT OR OF KEY THIRD PARTIES WITH WHOM WE HAVE A SIGNIFICANT BUSINESS RELATIONSHIP TO ACHIEVE OR MAINTAIN YEAR 2000 READINESS.

The "Year 2000" issue affects computer systems that have date sensitive programs that may not properly recognize the year 2000. Systems that do not properly recognize such information could generate data or cause a system to fail, resulting in business interruption. Through the first nine months of the year 2000, AVANT's operations are fully functioning and have not experienced any significant issues associated with the Year 2000 problem discussed above. Costs associated with modifications made by AVANT to be Year 2000 compliant were immaterial. There can be no assurance, however, that a failure by another company's system to be Year 2000 compliant would not have a material adverse affect on our business, operating results and financial condition.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In January 1997, the Securities and Exchange Commission issued Financial Reporting Release No. 48, which expands the disclosure requirements for certain derivatives and other financial instruments. The Company does not utilize derivative financial instruments.

PART II -- OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES

On July 17, 2000, the Company closed a private placement of approximately 4,650,000 shares of common stock which generated net proceeds totaling approximately $34,594,400. Such shares were issued to accredited investors in a transaction that was exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) of such Act.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

27.1 Financial Data Schedule

(b) REPORTS ON FORM 8-K

During the quarter ended September 30, 2000, the following report of Form 8-K was filed:

Form 8-K dated July 19, 2000 reporting the issuance of a press release by AVANT Immunotherapeutics, Inc. announcing the private offering of approximately 4,650,000 unregistered securities at $7.85 per share.

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.

AVANT IMMUNOTHERAPEUTICS, INC.

BY:

Dated: November 9, 2000

/s/ Una S. Ryan

Una S. Ryan, Ph. D.
President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 9, 2000

/s/ Avery W. Catlin

Avery W. Catlin
Senior Vice President, Treasurer
and Chief Financial Officer
(Principal Financial and
Accounting Officer)

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
27.1	Financial Data Schedule.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED FINANCIAL STATEMENTS OF AVANT IMMUNOTHERAPEUTICS, INC. FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

U.S. DOLLARS

9-MOS	
DEC-31-2000	
JAN-01-2000	
SEP-30-2000	
1	
48,505,000	
0	
0	
0	
0	
49,566,400	
4,835,600	
(3,845,200)	
53,853,800	
3,092,100	
0	
0	
0	
55,000	
48,045,800	
53,853,800	
0	
461,600	
0	
10,179,400	
0	
0	
0	
(8,480,900)	
0	
(8,480,900)	
0	
0	
0	
(8,480,900)	
(0.17)	
(0.17)	