UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 MARCH 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.
(Exact name of registrant as specified in 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) (Zip code)

(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 .

Class	Outstanding as of May 5, 1999
Common Stock, par value $.001	42,528,765

AVANT IMMUNOTHERAPEUTICS, INC.
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MARCH 31, 1999

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
MARCH 31, 1999 AND DECEMBER 31, 1998

	MARCH 31, 1999	DECEMBER 31, 1998
		(audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 10,983,100	$ 8,937,200
Marketable Securities	--	4,903,100
Current Portion Restricted Cash	750,000	750,000
Current Portion Lease Receivable	395,700	395,700
Prepaid and Other Current Assets, Net	635,400	629,700
Total Current Assets	12,764,200	15,615,700
Property and Equipment, Net	1,478,400	1,111,400
Restricted Cash	325,000	365,000
Long-Term Lease Receivable	775,400	827,300
Other Assets	4,334,300	4,730,700
Total Assets	$ 19,677,300	$ 22,650,100
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 741,600	$ 363,700
Accrued Expenses	857,900	1,184,700
Deferred Revenue	500,000	750,000
Short-Term Note Payable	750,000	750,000
Current Portion Lease Payable	269,200	269,200
Total Current Liabilities	3,118,700	3,317,600
Long-Term Lease Payable	514,000	562,900
Stockholders' Equity:		
Common Stock, $.001 Par Value	42,500	42,500
Additional Paid-In Capital	140,792,400	140,777,200
Less: Common Treasury Shares at Cost	(12,200)	(13,800)
Accumulated Deficit	(124,778,100)	(122,036,300)
Total Stockholders' Equity	16,044,600	18,769,600
Total Liabilities and Stockholders' Equity	$ 19,677,300	$ 22,650,100

SEE ACCOMPANYING NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE QUARTERS ENDED MARCH 31, 1999 AND 1998

	MARCH 31, 1999	MARCH 31, 1998
OPERATING REVENUE:		
Product Sales, Product Development and Licensing Agreements	$ 337,900	$ 361,000
OPERATING EXPENSE:		
Research, Development and Operations	1,891,100	1,210,000
General and Administrative	969,800	665,600
Amortization of Goodwill	409,800	--
Total Operating Expenses	3,270,700	1,875,600
Operating Loss	(2,932,800)	(1,514,600)
Non-Operating Income, Net	191,000	99,100
Net Loss	$ (2,741,800)	$ (1,415,500)
Net Loss Per Common Share	$ (0.06)	$ (0.05)
Weighted Average Common Shares Outstanding	42,526,300	26,774,000

SEE ACCOMPANYING NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND 1998

	MARCH 31, 1999	MARCH 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (2,741,800)	$ (1,415,500)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization	564,100	86,400
Net Change in Current Assets and Current Liabilities	(204,700)	(532,800)
Net Cash Used by Operating Activities	(2,382,400)	(1,861,900)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Property and Equipment	(482,000)	(27,800)
Other Noncurrent Assets	(49,700)	(91,600)
Decrease in Restricted Cash	40,000	25,000
Redemption of Marketable Securities	4,903,100	--
Net Cash Provided (Used) by Investing Activities	4,411,400	(94,400)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the Exercise of Stock Options	16,300	--
Net Proceeds from Stock Issuance	600	3,701,900
Net Cash Provided by Financing Activities	16,900	3,701,900
Increase in Cash and Cash Equivalents	2,045,900	1,745,600
Cash and Cash Equivalents at Beginning of Period	8,937,200	6,436,300
Cash and Cash Equivalents at End of Period	$ 10,983,100	$ 8,181,900

SEE ACCOMPANYING NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1999

(1) NATURE OF BUSINESS

AVANT Immunotherapeutics, Inc. ("AVANT" or the "Company") is a biopharmaceutical company engaged in the discovery, development and commercialization of products that harness the human immune response to prevent and treat disease. The Company's lead therapeutic program is focused on compounds that inhibit the inappropriate activity of the complement cascade which is a vital part of the body's immune defense system. The Company is also engaged in the development of Therapore(TM), a novel system for the delivery of immunotherapeutics for chronic viral infections and certain cancers. The Company and its collaborators are developing vaccines using the proprietary adjuvants, Adjumer(TM) and Micromer(TM), for the prevention of influenza, Lyme disease, and respiratory syncytial virus (RSV). In a further collaboration, the Company is developing an oral human rotavirus vaccine, and is developing its own proprietary vaccine for the management of atherosclerosis.

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

(2) INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements for the three months ended March 31, 1999 and 1998 include the consolidated accounts of the Company, 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 March 31, 1999 and December 31, 1998, the results of operations for the quarters ended March 31, 1999 and 1998, and the cash flows for the three months ended March 31, 1999 and 1998. The results of operations for the quarter ended March 31, 1999 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 the Company believes that the disclosures included are adequate to make the information presented not misleading. The condensed consolidated financial statements and the notes included herein should be read in conjunction with footnotes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

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 THE COMPANY. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO: (I) THE COMPANY'S ABILITY TO SUCCESSFULLY COMPLETE PRODUCT RESEARCH AND DEVELOPMENT, INCLUDING PRE-CLINICAL AND CLINICAL STUDIES, AND COMMERCIALIZATION; (II) THE COMPANY'S ABILITY TO OBTAIN SUBSTANTIAL ADDITIONAL FUNDING; (III) THE COMPANY'S ABILITY TO OBTAIN REQUIRED GOVERNMENTAL APPROVALS; (IV) THE COMPANY'S ABILITY TO ATTRACT MANUFACTURING, SALES, DISTRIBUTION AND MARKETING PARTNERS AND OTHER STRATEGIC ALLIANCES; AND (V) THE COMPANY'S ABILITY TO DEVELOP AND COMMERCIALIZE ITS PRODUCTS BEFORE ITS COMPETITORS.

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

OVERVIEW

The Company is engaged in the discovery, development and commercialization of products that harness the human immune response to prevent and treat disease. The Company's 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. The Company is 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.

On August 21, 1998 the Company 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.

ERSULTS OF OPERATIONS

The Company reported a consolidated net loss of $2,741,800, or $.06 per share, for the first quarter ended March 31, 1999, an increase of $1,326,300, or 93.7%, compared with a net loss of $1,415,500, or $.05 per share, for the first quarter ended March 31, 1998. The increase in net loss for the first quarter of 1999 compared to the first quarter of 1998 is primarily due to an increase in operating expense resulting from the acquisition of VRI combined with a $409,800 charge for the amortization of goodwill.

Total operating revenue decreased $23,100, or 6.4%, to $337,900 for the first quarter of 1999 compared to $361,000 for the first quarter of 1998. Operating revenue for the first quarter of 1998 included product sales revenue of $27,400 from sales of the company's TRAx(R) test kit. The company has suspended further development and sales efforts of its TRAx(R) product franchise while it continues to focus its efforts on establishing a partnership for the TRAx(R) technology.

Total operating expense increased $1,395,100, or 74.4%, to $3,270,700 for the first quarter of 1999 compared to $1,875,600 for the first quarter of 1998. The increase in operating expense is primarily due to expanded operations resulting from the acquisition of VRI combined with goodwill amortization of $409,800. Research and development expense increased $681,100, or 56.3%, to $1,891,100 for the first quarter of 1999 compared to $1,210,000 for the first quarter of 1998. The increase in research and development expense is due to increased spending associated with the Company's vaccine for the management of atherosclerosis combined with costs attributable to the Company's Therapore(TM) and novel polymer vaccine delivery system programs assumed in the acquisition of VRI. General and administrative expense increased $304,200, or 45.7%, to $969,800 for the first quarter of 1999 compared to $665,600 for the first quarter of 1998. The increase is primarily attributed to increased patent legal expense combined with increased corporate development and administrative support costs.

Non-operating income increased $91,900, or 92.7% to $191,000 for the first quarter of 1999 compared to $99,100 for the first quarter of 1998. The increase is primarily due to an increase in interest income due to higher cash balances for the first quarter of 1999 compared to the first quarter of 1998.

LIQUIDITY AND CAPITAL RESOURCES

The Company ended the first quarter of 1999 with cash and cash equivalents of $10,983,100 compared to cash, cash equivalents and marketable securities of $13,840,300 at December 31, 1998. The decrease in cash is attributable to net cash used in operations of $2,382,400 combined with the acquisition of property and equipment of $482,000 for the first quarter of 1999.

The Company believes that cash inflows from existing SBIR grants and collaborations, interest income on invested funds and its current cash and cash equivalents, net of restricted amounts, will be sufficient to meet estimated working capital requirements and fund operations beyond December 31, 1999. The working capital requirements of the Company 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 1999, the Company expects 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.

THE STATEMENTS IN THE FOLLOWING SECTION INCLUDE THE "YEAR 2000 READINESS DISCLOSURE" WITHIN THE MEANING OF THE YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT.

YEAR 2000

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. THE COMPANY'S YEAR 2000 COMPLIANCE, AND THE EVENTUAL AFFECTS OF THE YEAR 2000 ON THE COMPANY MAY BE MATERIALLY DIFFERENT THAN CURRENTLY PROJECTED. THIS MAY BE DUE TO, AMONG OTHER THINGS, DELAYS IN THE IMPLEMENTATION OF THE COMPANY'S YEAR 2000 PLAN AND THE FAILURE OF KEY THIRD PARTIES WITH WHOM THE COMPANY HAS A SIGNIFICANT BUSINESS RELATIONSHIP TO ACHIEVE YEAR 2000 COMPLIANCE.

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. The Company is currently developing a plan to provide assurances that its computer systems are Year 2000 compliant, and expects full compliance by the end of 1999. Given the relatively small size of the Company's internal systems and the relatively new hardware, software and operating systems, management does not anticipate any significant delays in becoming Year 2000 compliant. Further, management believes at present that the costs associated with modifications to become Year 2000 compliant will be immaterial to the Company's continued internal operations.

The Year 2000 issue is expected to affect the systems of various entities with which the Company interacts, including the Company's research and development partners, suppliers and vendors. The Company's assessment of third party anticipated risks and responses to those risks is not complete. There can be no assurance that the systems of other companies on which the Company's system rely will be timely converted, or that a failure by another company's system to be Year 2000 compliant would not have a material adverse affect on the Company's business, operating results and financial condition.

The Company does not have a contingency plan in the event Year 2000 compliance cannot be achieved in a timely manner. A contingency plan will be developed upon completion of the Company's Year 2000 compliance assessment.

ITEM 7A. 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 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSIONS 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 Financial Data Schedule

B. REPORTS ON FORM 8-K
None

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.

T CELL SCIENCES, INC.

BY: /s/ Una S. Ryan

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

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED FINANCIAL STATEMENTS OF AVANT IMMUNOTHERAPEUTICS, INC. FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
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(6,000)
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