

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 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
(State of Incorporation)

No. 13-3191702
(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
-----	July 23, 1999

Common Stock, par value \$.001	45,534,254

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June 30, 1999

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
 CONDENSED CONSOLIDATED BALANCE SHEET
 June 30, 1999 and December 31, 1998

	June 30, 1999	December 31, 1998
<hr/>		
ASSETS		(audited)
Current Assets:		
Cash and Cash Equivalents	\$ 8,361,000	\$ 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 Expenses and Other Current Assets, Net	566,300	629,700
	-----	-----
Total Current Assets	10,073,000	15,615,700
	-----	-----
Property and Equipment, Net	1,467,400	1,111,400
Restricted Cash	325,000	365,000
Long-Term Lease Receivable	647,500	827,300
Other Assets	3,982,700	4,730,700
	-----	-----
Total Assets	\$ 16,495,600	\$ 22,650,100
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 104,700	\$ 363,700
Accrued Expenses	996,500	1,184,700
Deferred Revenue	250,000	750,000
Short-Term Note Payable	750,000	750,000
Current Portion Lease Payable	269,200	269,200
	-----	-----
Total Current Liabilities	2,370,400	3,317,600
	-----	-----
Long-Term Lease Payable	435,800	562,900
	-----	-----
Stockholders' Equity:		
Common Stock, \$.001 Par Value	42,500	42,500
Additional Paid-In Capital	140,793,500	140,777,200
Less: Common Treasury Shares at Cost	(12,300)	(13,800)
Accumulated Deficit	(127,134,300)	(122,036,300)
	-----	-----
Total Stockholders' Equity	13,689,400	18,769,600
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 16,495,600	\$ 22,650,100
	-----	-----
	-----	-----

SEE ACCOMPANYING NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Quarters Ended June 30, 1999 and 1998

	June 30, 1999	June 30, 1998

OPERATING REVENUE:		
Product Sales, Product Development and Licensing Agreements	\$ 847,900	\$ 309,900
	-----	-----
OPERATING EXPENSE:		
Research and Development	1,947,300	1,260,800
General and Administrative	974,400	646,100
Amortization of Goodwill	409,800	--
	-----	-----
Total Operating Expense	3,331,500	1,906,900
	-----	-----
Operating Loss	(2,483,600)	(1,597,000)
Non-Operating Income, Net	127,400	296,500
	-----	-----
Net Loss	\$ (2,356,200)	\$ (1,300,500)
	-----	-----
Net Loss Per Common Share	\$ (0.06)	\$ (0.05)
	-----	-----
Weighted Average Common Shares Outstanding	42,529,600	28,494,300
	-----	-----

SEE ACCOMPANYING NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Six Months Ended June 30, 1999 and 1998

	June 30, 1999	June 30, 1998

OPERATING REVENUE:		
Product Sales, Product Development and Licensing Agreements	\$ 1,185,800	\$ 670,900
	-----	-----
OPERATING EXPENSE:		
Research and Development	3,838,400	2,470,800
General and Administrative	1,944,200	1,311,700
Amortization of Goodwill	819,600	--
	-----	-----
Total Operating Expense	6,602,200	3,782,500
	-----	-----
Operating Loss	(5,416,400)	(3,111,600)
Non-Operating Income, Net	318,400	395,600
	-----	-----
Net Loss	\$ (5,098,000)	\$ (2,716,000)
	-----	-----
Net Loss Per Common Share	\$ (0.12)	\$ (0.10)
	-----	-----
Weighted Average Common Shares Outstanding	42,528,000	27,638,900
	-----	-----

SEE ACCOMPANYING NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC..
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six Months Ended June 30, 1999 and 1998

	June 30, 1999	June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (5,098,000)	\$ (2,716,000)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization	1,124,700	177,300
Write-off of Capitalized Patent Costs	--	12,300
Gain on Sale of Equipment	--	(20,000)
Returned Stock	--	(165,600)
Net Change in Current Assets and Current Liabilities	(883,800)	(1,313,600)
	-----	-----
Net Cash Used by Operating Activities	(4,857,100)	(4,025,600)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Property and Equipment	(580,400)	(74,500)
Proceeds from the Sale of Equipment	--	23,000
Other Noncurrent Assets	(99,600)	(183,400)
(Increase) Decrease in Restricted Cash	40,000	(670,000)
Redemption of Marketable Securities	4,903,100	--
	-----	-----
Net Cash Provided (Used) by Investing Activities	4,263,100	(904,900)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the Exercise of Stock Options	17,200	9,700
Proceeds from the Issuance of Common Stock	600	3,699,900
Proceeds from Sale of Stock	--	2,000
	-----	-----
Net Cash Provided by Financing Activities	17,800	3,711,600
	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	(576,200)	(1,218,900)
Cash and Cash Equivalents at Beginning of Period	8,937,200	6,436,300
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 8,361,000	\$ 5,217,400
	-----	-----
	-----	-----

SEE ACCOMPANYING NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AVANT IMMUNOTHERAPEUTICS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 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 proprietary adjuvants 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 and six months ended June 30, 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 June 30, 1999 and December 31, 1998, the results of operations for the quarters and six months ended June 30, 1999 and 1998, and the cash flows for the six months ended June 30, 1999 and 1998. The results of operations for the quarter and six months ended June 30, 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 ARE FORWARD-LOOKING STATEMENTS AS THE TERM IS DEFINED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS 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.

In July 1999, Novartis Pharma AG, Basel, Switzerland ("Novartis") exercised its option to license TP10 following extensive preclinical testing of TP10 in its transplantation models. The exercise triggers a \$6 million equity investment and license payment subject to certain conditions being met. In October 1997, the Company had entered into the option agreement with Novartis relating to the development of TP10 for use in xenotransplantation (animal organs into humans) and allotransplantation (human organs into humans). The agreement granted Novartis a two-year option to license TP10 with exclusive worldwide marketing rights (except Japan) in the fields of xenotransplantation and allotransplantation.

The Company received a milestone payment from SmithKline Beecham ("SB") in June 1999 based on successful completion of a Phase II efficacy study in infants of the Company's oral rotavirus vaccine and establishment of a commercially viable process for manufacture of the vaccine. During 1997, the Company established the collaboration with SB to develop and commercialize the Company's rotavirus vaccine. Following the completion of the Phase II study, SB has assumed responsibility for and will fund all subsequent clinical and other development activities. The Company will be entitled to receive milestone payment and royalties on vaccine sales under the agreement which grants SB exclusive worldwide marketing rights to the rotavirus vaccine.

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. The Company issued 14,036,400 shares of its common stock 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 of AVANT's common stock and .20 of an AVANT warrant for each share of VRI common stock.

RESULTS OF OPERATIONS

QUARTER ENDED JUNE 30, 1999 COMPARED TO QUARTER ENDED JUNE 30, 1998 -- The Company reported a consolidated net loss of \$2,356,200, or \$.06 per share, for the quarter ended June 30, 1999, an increase of \$1,055,700, or 81.2%, compared to a net loss of \$1,300,500, or \$.05 per share, for the quarter ended June 30, 1998. The increase in net loss for the second quarter of 1999 compared to the second quarter of 1998 is primarily due to the increase in operating expense resulting from the acquisition of VRI combined with a charge of \$409,800 for the amortization of goodwill and partially offset by an increase in operating revenue.

Total operating revenue increased \$538,000, or 173.6%, to \$847,900 for the second quarter of 1999 compared to \$309,900 for the second quarter of 1998. The increase is primarily due to a milestone payment received from SmithKline Beecham ("SB") based on the Company's successful completion of a Phase II efficacy study of its oral rotavirus vaccine and SB's establishment of a commercially viable manufacturing process for the vaccine.

Total operating expense increased \$1,424,600, or 74.7%, to \$3,331,500 for the second quarter of 1999 compared to \$1,906,900 for the second quarter of 1998. The increase in operating expense is primarily due to expanded operations resulting from the acquisition of VRI combined with a charge of \$409,800 for the amortization of goodwill. Research and development expense increased \$686,500, or 54.4%, to \$1,947,300 for the second quarter of 1999 compared to \$1,260,800 for the second 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 which began human clinical trials during the second quarter of 1999 combined with costs attributable to the Company's Therapore(TM) and novel polymer vaccine delivery system programs. General and administrative expense increased \$328,300, or 50.8%, to \$974,400 for the second quarter of 1999 compared to \$646,100 for the second quarter of 1998. The increase is primarily attributable to increased patent legal expense combined with increased corporate development and administrative support costs.

Non operating income decreased \$169,100, or 57.0%, to \$127,400 for the second quarter of 1999 compared to \$296,500 for the second quarter of 1998. Interest income decreased \$3,500, or 2.7%, to \$127,400 for the second quarter ended June 30, 1999 compared to \$130,900 for the same period last year. In May 1998, the Company used cash as collateral for a \$750,000 note due November 15, 1999 issued in connection with the settlement of litigation with its former landlord and the landlord's mortgagee. In accordance with the settlement agreement, 66,250 shares of the Company's common stock issued to secure the note were returned to the Company. The common stock was valued at \$165,600 as of October 31, 1997 and its return is included in non operating income in the second quarter of 1998.

SIX MONTHS ENDED JUNE 30, 1999 COMPARED TO SIX MONTHS ENDED JUNE 30, 1998 -- The Company reported a net loss of \$5,098,000, or \$.12 per share, for the six months ended June 30, 1999, an increase of \$2,382,000, or 87.7%, compared to a net loss of \$2,716,000, or \$.10 per share, for the six months ended June 30, 1998.

Total operating revenue increased \$514,900, or 76.7%, to \$1,185,800 for the period ended June 30, 1999 compared to \$670,900 for the period ended June 30, 1998. Operating revenue for the six months ended June 30, 1998 included product sales revenue of \$35,000 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. Product development and licensing agreements revenue of \$1,185,800 increased \$549,900, or 86.5%, for the first six months of 1999 compared to \$635,900 for the same period last year. The increase is primarily due to a milestone payment received under the Company's agreement with SB in 1999 based on the Company's successful completion of a Phase II efficacy study of its oral rotavirus vaccine and SB's establishment of a commercially viable manufacturing process for the vaccine.

Total operating expense increased \$2,819,700, or 74.5%, to \$6,602,200 for the six months ended June 30, 1999 compared to \$3,782,500 for the six months ended June 30, 1998. The increase in operating expense is primarily due to expanded operations resulting from the acquisition of VRI combined with a charge of \$819,600 for the amortization of goodwill. For the first six months of 1999 research and development expense increased \$1,367,600, or 55.4% to \$3,838,400 compared to \$2,470,800 for the first six months of 1998 primarily due to increased spending associated with the Company's vaccine for the management of atherosclerosis which began human clinical trials during the second quarter of 1999 combined with costs attributable to the Company's Therapore(TM) and novel polymer vaccine delivery system programs. General and administrative expense increased \$632,500, or 48.2%, to \$1,944,200 for the six months ended June 30, 1999 compared to \$1,311,700 for same period last year primarily due to increased patent legal expense combined with increased corporate development and administrative support costs.

Non operating income decreased \$77,200, or 19.5%, to \$318,400 for the six months ended June 30, 1999 compared to \$395,600 for the six months ended June 30, 1998. Interest income increased \$108,400, or 51.6%, to \$318,400 for the six months ended June 30, 1999 compared to \$210,000 for the six months ended June 30, 1998. The increase in interest income is primarily due to higher cash balances in 1999 compared to 1998. In May 1998, the Company used cash as collateral for a \$750,000 note due November 15, 1999 issued in connection with the settlement of litigation with its former landlord and the landlord's mortgagee. In accordance with the settlement agreement, 66,250 shares of the Company's common stock issued to secure the note were returned to the Company. The common stock was valued at \$165,600 as of October 31, 1997 and its return is included in non operating income in 1998.

LIQUIDITY AND CAPITAL RESOURCES

The Company ended the second quarter with cash and cash equivalents of \$8,361,000 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 \$4,857,100 combined with the acquisition of property and equipment of \$580,400 for the six months ended June 30, 1999. In July 1999, Novartis exercised its option to license TP10 following extensive preclinical testing of TP10 in its transplantation models. The exercise triggers a \$6 million equity investment and license payment subject to certain conditions being met. In March 1998, the Company completed a private placement of approximately 2,043,000 shares of common stock to institutional investors at a price of \$1.90 per share. Net proceeds from the private placement totaled approximately \$3,699,900.

The Company believes that cash inflows from existing SBIR grants and collaborations, interest income from 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 through 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. The Company has decided to delay clinical trials of a Therapore(TM) -formulated melanoma immunotherapeutic vaccine which had earlier been scheduled for late 1999. 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 parties 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.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISE

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

On May 6, 1999, the Company held its Annual Meeting of Stockholders at which the voters elected six directors to its Board of Directors and approved the adoption of the AVANT Immunotherapeutics, Inc. 1999 Stock Option Plan.

At the Company's Annual Meeting of Stockholders, the following votes were tabulated for the two proposals before the Company's Stockholders:

PROPOSAL I

Election of Directors:

	NUMBER OF SHARES/VOTES	
	For	Authority Withheld
J. Barrie Ward	34,052,809	368,628
John W. Littlechild	34,052,812	368,625
Una S. Ryan	34,049,112	372,325
Thomas R. Ostermueller	34,052,012	369,425
Frederick W. Kyle	34,052,437	369,000
Harry H. Penner, Jr.	34,052,512	368,925

PROPOSAL II

Approval of the adoption of the AVANT Immunotherapeutics, Inc. 1999 Stock Option and Incentive Plan, replacing the Amended and Restated 1991 Stock Compensation Plan.

For	31,941,814
Against	1,810,203
Abstain	281,229
Del N-Voted	388,191

The number of shares issued, outstanding and eligible to vote as of the record date of March 22, 1999 were 42,528,765. A quorum was present with 34,421,437 shares represented by 231 proxies or 80.93% of the eligible voting shares.

ITEM 5. OTHER INFORMATION

In May 1999, the Company announced that Peter Sears has joined the AVANT board of directors. Mr. Sears recently retired as Vice President, Business Investments, SmithKline Beecham Corporation, and President and Founder of S.R. One, Limited, Smith Kline Beecham's venture capital fund. Mr. Sears also serves as a Director for Alere, Inc., Bearsdon, Bio, Inc., and as Chairman of Gryphon Sciences. He is Chairman of the Japan American Society of Greater Philadelphia and a Director of the University-City Science Center in Philadelphia.

The Company announced on June 21, 1999 that it has received approval to begin enrollment in its Phase I clinical trial of CETi-1, the Company's investigational vaccine aimed at preventing or treating atherosclerosis by raising serum levels of HDL (high-density lipoprotein) cholesterol. The Phase I study, a double blind, ascending-dose trial to assess the safety and immunogenicity of CETi-1, is being conducted at the Chicago Center for Clinical Research.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

A. EXHIBITS

None

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.

AVANT IMMUNOTHERAPEUTICS, INC.

BY: /s/ Una S. Ryan

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

Dated: July 28, 1999

THE CONDENSED FINANCIAL STATEMENTS OF AVANT IMMUNOTHERAPEUTICS, INC. FOR THE SIX MONTHS ENDED JUN 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

6-MOS	
DEC-31-1999	JAN-01-1999
JUN-30-1999	
	8,361,000
	0
	0
	0
10,073,000	4,602,200
(3,134,800)	
16,495,600	
2,370,400	
	0
0	0
	42,500
16,495,600	13,646,900
	0
1,185,800	0
	0
6,602,200	
0	
(318,400)	
(5,098,000)	
	0
(5,098,000)	
	0
	0
	0
(5,098,000)	
	(0.12)
	(0.12)