

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A
(Amendment No. 1)

(Mark One)

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
For the transition period from ----- to -----

Commission File Number 0-16109

ADVANCED POLYMER SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware

94-2875566

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

123 Saginaw Drive, Redwood City, California 94063

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (650) 366-2626

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

Securities registered pursuant to Section 12 (g) of the Act:
Common Stock (\$.01 par value)

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 No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss.229.405 of this chapter) is not contained herein, and will not be contained, to the best of the 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 the voting stock of the registrant held by non-affiliates of the registrant as of April 20, 2000, was \$67,821,121. (1)

As of April 20, 2000, 20,162,937 shares of registrant's Common Stock, \$.01 par value, were outstanding.

(1)Excludes 4,876,026 shares held by directors, officers and shareholders whose ownership exceeds 5% of the outstanding shares at April 20, 2000. Exclusion of such shares should not be construed as indicating that the holders thereof possess the power, directly or indirectly, to direct the management or policies of the registrant, or that such person is controlled by or under common control with the registrant.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Form 10-K Part
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Part III

Item 10. Directors and Executive Officers of the Registrant

DIRECTORS

NAME	AGE	POSITION WITH COMPANY	DIRECTOR SINCE
John J. Meakem, Jr.	63	Chairman, President and CEO	1991
Stephen A. Drury (1)	63	Director	1999
Carl Ehmann, M.D. (3)	57	Director	1994
Jorge Heller, Ph.D. (3)	72	Director	1991
Peter Riepenhausen (2)(4)	63	Director	1991
Toby Rosenblatt (1)(2)(4)	61	Director	1983
Richard D. Spizzirri (4)	66	Director	1999
Gregory H. Turnbull (1)	61	Director	1986
C. Anthony Wainwright (2)(4)	66	Director	1996
Dennis Winger (1)(4)	52	Director	1993

- (1) Member of the Finance and Audit Committee of the Board.
- (2) Member of the Compensation and Stock Option Committee of the Board.
- (3) Member of the Science Oversight Committee of the Board.
- (4) Member of the Strategic Alternatives Committee

EXECUTIVE OFFICERS

NAME	AGE	POSITION WITH COMPANY
Michael O'Connell	50	Executive Vice President, Chief Financial and Administrative Officer of Company, President of Pharmaceutical Sciences
Les Riley	55	Senior Vice President; President of Dermatology and Skin Care
Subhash J. Saxena, Ph.D	53	Senior Vice President, Head, Research and Development

John J. Meakem, Jr. -- chief executive officer and president of APS since June 1991, director since July 1991; chairman of APS board of directors since March 1993; chairman of Premier, Inc., a privately held company, from 1986 until its acquisition by APS in 1993. From 1970 to 1986, Mr. Meakem was with Combe, Inc. and served as corporate executive vice president and president of Combe, North America. Prior to that Mr. Meakem was vice president of Richardson-Vicks, Inc.

Stephen A. Drury -- director of APS since May 1999. Mr. Drury is currently a healthcare financial advisor and a private investor. Prior to his retirement in 1997 he was executive vice president and a director of Owen Healthcare since 1992 and senior vice president and chief financial officer of Integrated Health Services, Inc. from 1989 until 1992. Prior to that Mr. Drury served as senior vice president of Thomson McKinnon Securities and managing director of its Healthcare Capital Markets Group from 1985 to 1989.

Carl Ehmann, M.D., F.A.C.P. -- director of APS since June 1994. Dr. Ehmann is currently a business consultant. Prior to his retirement in 1999 he was Group Director, Global Research and Development of Reckitt & Colman plc since 1996 and executive vice president-research and development of R.J. Reynolds Tobacco Company where he also served as a member of the executive and operating committee from 1992 until 1996. Prior to that Dr. Ehmann served as executive vice president of research and development at Johnson & Johnson Consumer Products, Inc. from 1987 to 1992.

Jorge Heller, Ph.D. -- director of APS since April 1991. Dr. Heller is a

full time consultant to the Company and its Chief Scientist. Prior to joining the Company, Dr. Heller was director of the controlled release and biomedical polymers program at SRI International until January 1994, where he was a staff member since 1974. He is also adjunct professor of pharmacy at the University of California, San Francisco, and at the University of Utah. He is editor of the Journal of Controlled Release and past president of the Controlled Release Society.

Peter Riepenhausen -- director of APS since April 1991. Mr. Riepenhausen is currently a business consultant. He was president and chief executive officer of ReSound Corporation from 1994 to 1998. He serves as a director of Audimed, Germany. He also served as a director of Caradon (Europe) plc from April 1994 until September 1998. He served as vice chairman of the board of directors of The Cooper Companies, Inc. from January, 1987 until September, 1989, and from January, 1984 until December, 1986 he was executive vice president of The Cooper Companies, Inc. Mr. Riepenhausen has also held executive positions with Blendax-Werke R. Schneider GmbH & Co. of West Germany and Pepsico, Inc.

Toby Rosenblatt -- director of APS since September 1983. Mr. Rosenblatt is president of The Glen Ellen Company and president of Founders Investments, Ltd. Both companies are involved in private investment activities. Mr. Rosenblatt also serves as a director of State Street Research Mutual Funds and is a trustee of numerous civic and educational institutions.

Richard D. Spizzirri -- director of APS since May 1999. Mr. Spizzirri has been senior counsel to the law firm of Davis Polk & Wardwell since 1995 and was a partner of Davis Polk & Wardwell from 1967 to 1994.

Gregory H. Turnbull -- director of APS since February 1986. Mr. Turnbull is currently a business consultant and a director of Planar Systems, Inc. Previously, he was a general partner of Cable & Howse Ventures, a venture capital organization which he first joined in 1983, and of which he is currently a special limited partner. Prior to his work as a venture capitalist, Mr. Turnbull was an investment banker for 15 years with Morgan Stanley & Co. and White Weld & Co.

Charles Anthony Wainwright -- director of APS since November 1996. Mr. Wainwright is currently vice chairman of McKinney & Silver, a national advertising agency and a director of the following companies: Gibson Greetings, American Woodmark Corp., Del Webb Corp., Caribiner Corp., and Marketing Services Group, Inc. He was the chairman of Harris Drury Cohen from 1995 until early 1997 and from 1990 to 1995, he was the chairman of Compton Partners, Saatchi & Saatchi. He was also the president and chief operating officer of the Bloom Companies from 1980 until 1989.

Dennis Winger -- director of APS since February 1993. Mr. Winger is senior vice president and chief financial officer of PE Corporation. From 1989 to 1997, Mr. Winger was senior vice president, finance and administration and chief financial officer of Chiron Corporation. He was also a member of Chiron's Strategy Committee. Prior to joining Chiron, Mr. Winger held a series of financial positions at The Cooper Companies, Inc., including chief financial officer.

Michael O'Connell - chief financial officer of APS since July 1992; senior vice president and chief administrative officer since 1993; executive vice president and president of APS' Pharmaceutical Sciences since 1998. From 1980 to 1992, he held various positions with The Cooper Companies including vice president, finance and corporate controller from 1989 to 1991, vice president, finance and administration of Coopervision Surgical from 1987 to 1989 and vice president, finance and administration of Coopervision International from 1986 to 1987.

Les Riley - senior vice president of APS and president of APS' Dermatology and Skin Care since January 1996. From 1993 to 1995, he was the chief executive officer and president of Tristrata Incorporated ("Tristrata"), a member of the board of directors of Neostrata Company ("Neostrata") a subsidiary of Tristrata, and chief executive officer of Neostrata. From 1976 to 1993, he held various positions with Ortho Pharmaceutical Corporation where he was president of the Dermatology Division from 1991 to 1993 in addition to being a member of the Board of Directors.

Subhash J. Saxena, Ph.D. - senior vice president head of research and development of APS since 1999; senior vice president of research and development/regulatory affairs of APS since 1998; vice president of research and development/regulatory affairs of APS since 1994; director of pharmaceutical sciences of APS since 1988. From 1983 to 1988, he was a director of research and development for VLI Corporation.

Item 11. Executive Compensation

SUMMARY COMPENSATION TABLE

NAME AND POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM COMPENSATION AWARDS		
		SALARY (\$)	BONUS (\$)	RESTRICTED STOCK AWARDS (\$)(1)	SECURITIES UNDERLYING OPTIONS (#)	ALL OTHER COMPENSATION
John J. Meakem, Jr. Chairman, President and Chief Executive Officer	1999	381,789	0	0	0(2)	4,800(3)
	1998	373,654	0	359,400	198,000	4,800(3)
	1997	339,635	100,000	0	50,000	4,569(3)
Michael O'Connell Executive Vice President, Chief Financial and Administrative Officer; President of Pharmaceutical Sciences	1999	242,423	33,000	0	0	4,800(3)
	1998	235,616	0	119,800	110,000	4,800(3)
	1997	211,769	56,000	0	40,000	4,750(3)
Les Riley Senior Vice President, President of Dermatology and Skin Care	1999	242,423	30,000	0	0	4,800(3)
	1998	235,616	0	119,800	75,000	4,800(3)
	1997	211,769	56,000	0	40,000	169,799(4)
Subhash J. Saxena, Ph.D. Senior Vice President, Head, Research and Development	1999	194,942	20,000	0	0	4,800(3)
	1998	188,077	0	0	70,000	4,800(3)
	1997	166,731	37,500	0	20,000	4,560(3)

- (1) The dollar value of restricted stock awards net of consideration paid by the named executive officer was calculated using the closing market price of the Company's Common Stock on the date the restricted stock award was granted. Each restricted stock award provides that for a period of three years after the award of restricted stock, the recipient may not sell, assign, transfer, pledge or otherwise encumber the shares of restricted stock. Any cash dividends with respect to shares of restricted stock are automatically reinvested in additional shares of restricted stock. Each restricted stock award provides that if the employee should leave the employ of the Company prior to three years from the date of award, unless waived by the administrator of the plan under certain circumstances, the Company will have the right to repurchase the restricted stock at their original purchase price of \$.01 per share. As of December 31, 1999, the Company had a total of 100,000 shares of restricted stock outstanding with an aggregate value of \$343,800 based on the value of the Company's shares at December 31, 1999.
- (2) Mr. Meakem was granted an option to acquire 27,000 shares on January 12, 2000 in lieu of a cash bonus.
- (3) The stated amounts are Company matching contributions to the Advanced Polymer Systems Salary Reduction Profit Sharing Plan. In 1999, the Company made matching contributions equal to 50% of each participant's contribution during the plan year up to a maximum amount equal to the lesser of 3% of each participant's annual compensation or \$4,800.
- (4) This amount consists of \$165,349 in relocation costs that were taxable to Mr. Riley in 1997 and \$4,450 in Company matching contribution to the Advanced Polymer Systems Salary Reduction Profit Sharing Plan. See note (2) above.

STOCK OPTION GRANTS IN 1999

There were no stock options granted in 1999 to the named executive officers.

The following table sets forth certain information with respect to options exercised during 1999 and the value of options held at fiscal year end by the executive officers named in the Summary Compensation Table.

AGGREGATED OPTION EXERCISES IN 1999 AND 1999 YEAR-END OPTION VALUES

NAME	SHARES ACQUIRED UPON OPTION EXERCISE		NUMBER OF UNEXERCISED OPTIONS AT 1999 YEAR-END		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END (2)	
	(#)	VALUE REALIZED (\$)(1)	EXERCISABLE (#)	UNEXERCISABLE (#)	EXERCISABLE (\$)	UNEXERCISABLE (\$)
John J. Meakem, Jr.	0	0	684,525	166,389	0	0
Michael O'Connell	0	0	362,916	87,084	0	0
Les Riley	0	0	195,452	44,548	0	0
Subhash J. Saxena, Ph.D	0	0	158,834	51,666	0	0

- (1) Market value of underlying securities at exercise less the exercise price.
- (2) Market value of underlying securities at fiscal year-end minus the exercise price of "in-the-money" options.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth beneficial Common Stock ownership as of April 20, 2000, by (i) each person who is known by the Company to own beneficially more than 5% of the outstanding shares of Common Stock, (ii) each director and each executive officer named in the Summary Compensation Table above, and (iii) all executive officers and directors as a group. Each person has sole investment and voting power with respect to the shares indicated, subject to community property laws where applicable and except as otherwise set forth in the footnotes to the table.

NAME	NUMBER OF SHARES(1)	PERCENT OF CLASS(1)
Stephen A. Drury(2)	7,264	*
Carl Ehmann, M.D., F.A.C.P.(3)	78,486	*
Jorge Heller, Ph.D.(4)	111,486	*
John J. Meakem, Jr.(5)	1,009,866	4.8
Michael O'Connell(6)	411,000	2.0
Peter Riepenhausen(7)	119,486	*
Les Riley(8)	229,658	1.1
Toby Rosenblatt(9)	274,012	1.4
Subhash J. Saxena, Ph.D.(10)	171,686	*
Richard D. Spizzirri(11)	7,264	*
Gregory H. Turnbull(12)	86,486	*
C. Anthony Wainwright(13)	41,236	*
Dennis Winger(14)	86,486	*
Citigroup, Inc.(15) 388 Greenwich Street New York, NY 10013	4,339,190	21.5
Officers and Directors as a group(13 persons) (2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)(13)(14)	2,634,416	11.9

* Less than one percent.

- (1) Assumes the exercise of all outstanding options and warrants to purchase Common Stock held by such person or group to the extent exercisable on or before June 20, 2000, and that no other person has exercised any outstanding stock options.
- (2) Includes 6,250 shares underlying presently exercisable stock options.
- (3) Includes 75,000 shares underlying presently exercisable stock options.
- (4) Includes 100,000 shares underlying presently exercisable stock options.
- (5) Includes 754,025 shares underlying presently exercisable stock options.
- (6) Includes 383,749 shares underlying presently exercisable stock options.

- (7) Includes 21,050 shares held as family trust and 95,000 shares underlying presently exercisable stock options.
- (8) Includes 208,473 shares underlying presently exercisable stock options.
- (9) Includes 85,000 shares underlying presently exercisable stock options.
- (10) Includes 170,083 shares underlying presently exercisable stock options.
- (11) Includes 6,250 shares underlying presently exercisable stock options.
- (12) Includes 85,000 shares underlying presently exercisable stock options.
- (13) Includes 38,750 shares underlying presently exercisable stock options.
- (14) Includes 85,000 shares underlying presently exercisable stock options.
- (15) Based solely on information contained in a Schedule 13G dated January 27, 2000, and includes 1,666,600 shares held by SSB Citi Fund Management LLC and 2,649,190 shares held by Salomon Smith Barney, Inc.

Item 13. Certain Relationships and Related Transactions

The Company entered into a three-year employment agreement with Mr. Meakem in May 1993. In 1995, the employment agreement was amended to extend the term for an additional three years and provide for automatic yearly extensions thereafter unless written notice of its intention not to automatically extend the agreement is given by either party. The agreement was further amended in April 1999 to clarify the definition of "change in control". The employment agreement provides that Mr. Meakem may elect to terminate his employment within stated periods of a change in control of the Company and receive an amount equal to his prior twelve months' salary and bonus, payable over the subsequent twelve month period. Mr. Meakem is entitled to receive an amount equal to twice his prior twelve months' salary and bonus if the Company should terminate his employment within stated periods of a change in control or if he elects to terminate his employment following a change in control if his position with the Company is reduced in terms of responsibility or indicia of status. "Change in control" under the agreement is defined to include an acquisition of more than fifty percent of the outstanding shares of the Company or a change in the majority of the members of the Board of Directors. Mr. Meakem will be eligible to participate in the Company's Retention Plan, but only to the extent he is not eligible to receive comparable benefits under his employment agreement. He is also a participant under the Company's Executive Stay Bonus Plan.

The Compensation and Stock Option Committee of the Board has approved a Retention Incentive Plan ("Retention Plan") for certain key employees, including the executive officers of the Company named in the Summary Compensation Table above. The purpose of the Retention Plan is to encourage key employees to continue their employment with the Company, enhance their ability to perform effectively and provide the Company with the benefit of their continued service. Under the Retention Plan, the company entered into individual retention agreements with the covered executives providing that the executive will be eligible for certain benefits if his or her employment is terminated under specified circumstances. These agreements expire no later than July 31, 2002. If the executive's full-time employment with the Company is terminated by the Company (other than for cause) or by the executive for good reason (due to a material reduction in the executive's authority or responsibility, base salary or other compensation or employee benefits, or a change in the executive's principal place of work more than 40 miles from the Company's current headquarters), the executive will be retained as a part-time employee for a period ranging from a minimum of 12 months to a maximum of the later of 24 months or until July 31, 2003 (the "Retention Period"). During the Retention Period, the executive will receive continuation of salary, payable one-half in a lump sum following termination of full-time employment and the remainder ratable over the Retention Period and an annual bonus equal to the bonus paid during the immediately preceding 12-month period. Under these agreements, Mr. Riley and Mr. Saxena would receive benefits through July 31, 2001; Mr. O'Connell would receive benefits for 24 months following termination; and Mr. Meakem would receive benefits through July 31, 2003. Under the Retention Incentive Plan, each executive will also agree not to compete with the Company during the Retention Period.

The Compensation and Stock Option Committee of the Board also has approved an Executive Stay Bonus Plan covering key executives, including the named executive officers. The purpose of this plan is to encourage key executives who play a critical role in the Company to optimize the Company's previously announced process of reviewing all strategic alternatives, including the possible sale of all or part of the Company. In the event of the sale of all

or part of the Company at a favorable price that exceeds a specified amount, the plan provides for payments to the covered executives up to an aggregate total payment to all covered executives not to exceed \$1 million. The right to receive payments under the Executive Stay Bonus Plan requires a covered executive to remain with the Company through any sale unless the covered executive's employment is terminated without cause.

As of January 1, 1999, the Company had an outstanding secured loan receivable of \$253,000 from Mr. Meakem with an interest rate of approximately 10%, the maximum allowed under California law. The loan was approved by the Compensation and Stock Option Committee of the Company's Board of Directors. Repayment of the loan and related interest was received in 1999.

During 1999, the Company paid to Dr. Jorge Heller (who consults for the Company on a full time basis and is the Company's Chief Scientist) and Peter Riepenhausen, who are both directors of the Company, for consulting services in their field of expertise, the respective amounts of \$181,250 and \$20,000. Payments for similar services in 1998 were \$160,000 and \$7,500, respectively, and in 1997 were \$144,999 and \$0, respectively. In the prior years, the Company paid consulting fees to Dr. Carl Ehmann and C. Anthony Wainwright, who are also directors of the Company, the respective amounts of \$3,000 and \$4,500 in 1998 and \$0 and \$2,000 in 1997.

The Company has entered into agreements with Large Scale Biology Corporation ("LSB Corp.") formerly known as Biosource Technologies, Inc. of which Toby Rosenblatt is a stockholder and a former director. All agreements between APS and LSB Corp. have been, and will continue to be, considered and approved by a vote of the disinterested directors. In November 1997, LSB Corp. filed a complaint against the Company in the San Mateo Superior Court alleging failure to make annual minimum purchases of melanin and the Company cross complained. In December 1998, the Company reached a settlement agreement with LSB Corp. In 1999, pursuant to the settlement agreement, the Company paid LSB Corp. a net amount of \$1,300,000, which consisted of a \$1,500,000 settlement of LSB Corp. claims and a \$200,000 settlement of the Company's cross claims.

For purposes of complying with the amendments to the rules governing Registration Statements on Form S-8 (effective July 13, 1990) under the Securities Act of 1933 ("the Act"), as amended, the undersigned registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into Part II of the registrant's Registration Statements on Form S-8 Nos. 33-18942, 33-21829, 33-29084, 33-50640, 333-06841, 333-35151 and 333-60585 filed on April 25, 1990, May 12, 1988, September 30, 1991, August 11, 1992, June 26, 1996, September 8, 1997 and August 4, 1998, respectively.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirement 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.

ADVANCED POLYMER SYSTEMS, INC.

By: /s/John J. Meakem, Jr.

John J. Meakem, Jr.
Chairman, President, Chief Executive Officer

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/ John J. Meakem, Jr. ----- John J. Meakem, Jr.	Chairman, President, Chief Executive Officer	April 28, 2000 -----
/S/ Michael O'Connell ----- Michael O'Connell	Executive Vice President, Chief Administrative Officer and Chief Financial Officer	April 28, 2000 -----
/S/ Stephen Drury -----	Director	April 28, 2000 -----
/S/ Carl Ehmann ----- Carl Ehmann	Director	April 28, 2000 -----
/S/ Jorge Heller ----- Jorge Heller	Director	April 28, 2000 -----
/S/ Peter Riepenhausen ----- Peter Riepenhausen	Director	April 28, 2000 -----
/S/ Toby Rosenblatt ----- Toby Rosenblatt	Director	April 28, 2000 -----
/S/ Richard Spizzirri -----	Director	April 28, 2000 -----
/S/ Gregory H. Turnbull ----- Gregory H. Turnbull	Director	April 28, 2000 -----
/S/ C. Anthony Wainwright ----- C. Anthony Wainwright	Director	April 28, 2000 -----
/S/ Dennis Winger ----- Dennis Winger	Director	April 28, 2000 -----