FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2000

[ ] 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)	(IRS Employer Identification No.)

123 Saginaw Drive, Redwood City, CA 94063
(Address of principal executive offices)

(650) 366-2626
(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 ___

At July 31, 2000, the number of outstanding shares of the Company's common stock, par value $.01, was 20,188,990.

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ITEM 6. Exhibits and Reports on Form 8-K

Signatures

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements (unaudited):

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	June 30, 2000	December 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,670,810	$ 3,705,194
Trade accounts receivable, net	4,346,119	3,580,026
Receivables for royalties, license and option fees and R&D fees	1,263,574	1,492,634
Inventory	81,137	60,650
Advances and loans to officers and employees	79,925	84,632
Prepaid expenses and other	319,195	319,206
Net assets held for sale (Notes 4, 5 and 10)	7,774,935	7,664,482
Total current assets	16,535,695	16,906,824
Property and equipment, net	1,854,763	2,007,932
Deferred loan costs, net	33,722	39,853
Goodwill and other intangible assets, net	--	--
Other long-term assets	222,047	342,047
Total assets	$ 18,646,227	$ 19,296,656
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,688,082	$ 1,029,534
Accrued expenses	847,294	1,263,186
Taxes payable	12,307	13,480
Deferred revenue	454,212	575,000
Current portion - long-term debt	954,725	891,111
Total current liabilities	3,956,620	3,772,311
Deferred revenue - long-term	829,651	1,079,644
Long-term debt	1,915,119	2,408,933
Total liabilities	6,701,390	7,260,888
Commitments and Contingencies		
Shareholders' equity:		
Common stock and common stock warrants	85,853,406	85,530,952
Accumulated deficit	(73,908,569)	(73,495,184)
Total shareholders' equity	11,944,837	12,035,768
Total liabilities and shareholders' equity	$ 18,646,227	$ 19,296,656

See accompanying notes.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30, 2000	June 30, 1999	June 30, 2000	June 30, 1999
Royalties	$ 563,556	$ 442,526	$ 989,242	$ 970,978
License and option fees and R&D fees	--	600,000	--	1,174,216
Product revenues	305,483	291,054	610,045	638,993
Total revenues	869,039	1,333,580	1,599,287	2,784,187
Expenses:				
Cost of sales	131,885	130,544	187,494	261,773
Research & development	850,631	569,273	1,404,515	1,221,683
Selling & marketing	147,561	137,016	276,804	282,531
General & administration	752,718	735,844	1,391,452	1,374,187
Operating loss	(1,013,756)	(239,097)	(1,660,978)	(355,987)
Interest income	53,958	47,030	119,051	80,730
Interest expense	(109,907)	(161,180)	(228,039)	(303,896)
Other income (expense), net	4,189	(1,217)	6,515	(1,644)
Net loss before taxes	(1,065,516)	(354,464)	(1,763,451)	(580,797)
Taxes	(39,667)	--	--	--
Loss from continuing operations	(1,025,849)	(354,464)	(1,763,451)	(580,797)
Income from discontinued operations	392,167	873,177	1,350,066	1,623,403
Net income/(loss)	$ (633,682)	$ 518,713	$ (413,385)	$ 1,042,606
Net income (loss) per common share-basic:				
Continuing operations	$ (0.05)	$ (0.01)	$ (0.09)	$ (0.03)
Discontinued operations	0.02	0.04	0.07	0.08
Net income (loss)	$ (0.03)	$ 0.03	$ (0.02)	$ 0.05
Net income (loss) per common share-diluted:				
Continuing operations	$ (0.05)	$ (0.01)	$ (0.09)	$ (0.03)
Discontinued operations	0.02	0.04	0.07	0.08
Net income (loss)	$ (0.03)	$ 0.03	$ (0.02)	$ 0.05
Weighted average common shares outstanding-basic	20,187,190	20,088,397	20,160,437	20,053,321
Weighted average common shares outstanding-diluted	20,210,724	20,410,721	20,206,740	20,308,510

See accompanying notes.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the six months ended June 30, 2000	1999
Net cash used in operating activities	(694,158)	(1,469,018)
Cash flows from investing activities:		
Purchase of property and equipment	(5,621)	(154,398)
Purchase of intangibles	(100,000)	--
Net cash used in investing activities	(105,621)	(154,398)
Cash flows from financing activities:		
Proceeds from the exercise of common stock options and warrants	120,000	211,726
Proceeds from issuance of shares under the Employee Stock Purchase Plan	75,595	83,741
Proceeds from long-term debt	--	4,000,000
Repayment of debt	(430,200)	(3,231,457)
Net cash (used in) provided by financing activities	(234,605)	1,064,010
Net decrease in cash and cash equivalents	(1,034,384)	(559,406)
Cash and cash equivalents, beginning of the period	3,705,194	4,088,173
Cash and cash equivalents, end of the period	$ 2,670,810	$ 3,528,767
Cash paid for interest	$ 216,600	$ 226,270

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2000 AND 1999 (UNAUDITED)

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position of Advanced Polymer Systems, Inc. and subsidiaries ("the Company" or "APS") as of June 30, 2000 and the results of their operations for the three and six months ended June 30, 2000 and 1999.

These condensed consolidated statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 1999 included in the Company's Annual Report on Form 10-K.

The condensed consolidated financial statements include the financial statements of the Company and its subsidiaries, Premier, Inc. ("Premier") and APS Analytical Standards, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company considers all short-term investments in debt securities which have original maturities of less than three months at date of purchase to be cash equivalents. Investments which have original maturities longer than three months are classified as marketable securities in the accompanying balance sheets.

Certain reclassifications have been made to the prior period financial statements to conform with the presentation in 2000.

(2) Common Shares Outstanding and Earnings Per Share Information

Common stock outstanding as of June 30, 2000 is as follows:

	Number of Shares
Common stock outstanding as of December 31, 1999	20,119,042
Warrants exercised after December 31, 1999	40,000
Shares issued to Directors after December 31, 1999	6,624
Shares issued under the Employee Stock Purchase Plan	23,324
Total shares	20,188,990

The following table sets forth the computation of the Company's basic and diluted earnings per share from continuing operations:

	Three Months Ended		Six Months Ended	
	June 30, 2000	June 30, 1999	June 30, 2000	June 30, 1999
Loss from continuing operations (numerator)	$(1,025,849)	$ (354,464)	$(1,763,451)	$ (580,797)
Shares calculation (denominator):				
Weighted average shares				

outstanding - basic	20,187,190	20,088,397	20,160,437	20,053,321
Effect of dilutive securities:				
Stock options and employee stock purchase plan	23,534	217,860	42,442	152,199
Warrants	--	104,464	3,861	102,990
Weighted average shares outstanding - diluted	20,210,724	20,410,721	20,206,740	20,308,510
Basic and diluted loss per share from continuing operations	$ (0.05)	$ (0.01)	$ (0.09)	$ (0.03)

The following options with expiration dates ranging from July 23, 2001 to June 16,2009 were outstanding during the periods presented, but were not included in the computation of diluted earnings per share since the exercise prices of the options were greater than the average market price of the common shares:

	Three Months Ended		Six Months Ended	
	June 30, 2000	June 30, 1999	June 30, 2000	June 30, 1999
Number outstanding	3,354,342	2,088,310	3,074,258	2,730,788
Range of exercise prices	$4.13-$15.00	$5.44-$15.00	$4.41-15.00	$5.19-$15.00

(3) Revenue Recognition

The Company has licensing agreements that generally provide for the Company to receive royalties and/or non-refundable license fees. These licensing agreements typically require a non-refundable license fee and allow customers to sell the Company's proprietary products in a specific field or territory. The license agreements provide for APS to earn future revenue through royalty payments. The license fees are non-refundable even if the agreements are terminated before their term or APS fails to supply product to the licensee. These license fees are amortized on a straight-line basis over the estimated life of the product to which they relate. If the customer fails to meet applicable contract terms and/or product supply is no longer required, any unamortized license fees are recognized as revenue.

(4) Discontinued Operations

On July 25, 2000, the Company completed the sale of certain technology rights for topical pharmaceuticals and its cosmeceutical product lines and other assets ("cosmeceutical and toiletry business") to R.P. Scherer Corporation, a subsidiary of Cardinal Health, Inc. The Company received $25 million up-front and could receive up to an additional $26.5 million over the next three years relating to the performance milestones of the cosmeceutical and toiletry business. In accordance with Accounting Principles Board Opinion No. 30 "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," the cosmeceutical and toiletry business is reported as a discontinued operation for all periods presented in the accompanying Condensed Consolidated Statements of Operations.

All assets and liabilities relating to the cosmeceutical and toiletry business are reported in the accompanying condensed Consolidated Balance Sheets as "Net assets held for sale" and consist of the following:

	June 30, 2000	December 31, 1999
Inventory	$ 4,137,519	$ 4,524,347
Prepaid expenses	156,528	59,763
Property, plant & equipment, net	5,765,658	6,023,144
Other intangible assets	1,254,894	1,259,020
Other long-term assets	4,350	4,350
Deferred revenue - short-term	(428,088)	(620,396)
Deferred revenue - long-term	(3,115,926)	(3,585,746)
	$ 7,774,935	$ 7,664,482

Basic and diluted income per common share from discontinued operations was $0.02 and $0.07 for the three and six months ended June 30, 2000, respectively. Basic and diluted income per common share from discontinued operations was $0.04 and $0.08 for the three and six months ended June 30, 1999. (See Note 10)

(5) Net Assets Held for Sale

Net assets held for sale at June 30, 2000 consist of the Company's assets from discontinued operations offset by related deferred revenues. On July 25, 2000, the Company completed the sale of certain technology rights for topical pharmaceuticals and its cosmeceutical product lines and other assets to R.P. Scherer Corporation, a subsidiary of Cardinal Health, Inc. (See Notes 4 and 10)

(6) Long-Lived Assets, Including Goodwill and Other Intangibles

The Company evaluates the carrying value of long-lived assets, including goodwill, whenever changes have occurred that would require revision of the remaining estimated lives of recorded long-lived assets, including goodwill, or render those assets not recoverable. If such circumstances arise, recoverability is determined by comparing the undiscounted net cash flows of long-lived assets, including goodwill, to their respective carrying values. The amount of impairment, if any, is measured based on the projected discounted cash flows using an appropriate discount rate. At this time, the Company believes that no impairment of long-lived assets, including goodwill and other intangibles, has occurred and that no reduction of the estimated useful lives of such assets is warranted.

(7) Inventory

The major components of inventory are as follows:

	June 30, 2000	December 31, 1999
Raw materials	$ 43,498	$ 33,383
Finished goods	37,639	27,267
Total inventory	$ 81,137	$ 60,650

Inventory relating to the cosmeceutical and toiletry business is reported as "Net assets for sale" in the accompanying condensed consolidated balance sheet as of June 30, 2000. (see Notes 4 and 5)

(8) Income Taxes

The Company does not anticipate incurring significant amounts of income taxes in 2000 due to the use of its net operating loss carry forwards from the prior years. Currently, any income tax expense is being offset by recognition of a corresponding change in the valuation allowance for deferred tax assets.

(9) Legal Proceedings

In February 2000, Douglas Kligman and Albert Kligman filed a complaint against the Company in the U.S. District Court for the Eastern District of Pennsylvania. The complaint alleges that the plaintiffs entered into a partnership with the Company to pursue development and sales of a product developed by the plaintiffs. The complaint states various claims, dissolution of partnership, implied-in-law contract and other claims. The complaint alleges damages in excess of $75,000, but otherwise makes no specific damage claim.

The Company has denied liability and is vigorously defending the claims, basing its defense on the assertion that its rights to the product are governed by a binding license agreement that was executed in November 1995 and amended in September 1996 and that there are no partnership agreements entered into by the parties.

The Company expects that the outcome of this legal proceeding will not have a material adverse effect on the consolidated financial statements.

(10) Subsequent Event

In July 2000 the Company sold its cosmeceutical and toiletry business to R.P. Scherer Corporation, a subsidiary of Cardinal Health, Inc.

The Company received $25 million up-front in July 2000 and could receive up to an additional $26.5 million over the next three years relating to the performance milestones of the cosmeceutical and toiletry business. On receipt of the up-front fee, the Company repaid its debt outstanding in full.

The Company anticipates reporting a gain on sale of its cosmeceutical and toiletry business of approximately $11-13 million in the third quarter of 2000. (See Note 4)

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (all dollar amounts rounded to the nearest thousand)

Results of Operations for the Three Months Ended June 30, 2000 and 1999

Except for statements of historical fact, the statements herein are forward-looking and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the statements made. These include, among others, uncertainty associated with timely approval, launch and acceptance of new products, establishment of new corporate alliances, progress in research and development programs and other risks described below or identified from time to time in the Company's Securities and Exchange Commission filings.

The Company's revenues are derived principally from product sales, license fees, royalties and R&D fees. Under strategic alliance arrangements entered into with certain corporations, APS can receive non-refundable upfront fees, future milestone payments and royalties based on third party product sales. Until July 25, 2000, the Company manufactured and sold Microsponge(R) and Polytrap (R) delivery systems for use by customers in approximately 100 different personal care and cosmetic products. (See Subsequent Event)

Royalties for the three months ended June 30, 2000 totaled $564,000, representing an increase of $121,000 or 27% over the corresponding quarter of the prior year. This increase reflects continued growth in sales of Retin-A(R) Micro(TM) by Ortho-McNeil, a member of the J&J family of companies, of a formulation containing Microsponge(R)-entrapped tretinoin. This product was the first marketing clearance received by the Company from the U.S. Food and Drug administration (FDA). The license fee in the second quarter of the prior year related to the sale of a proprietary product line to a third party. Product revenues relating to sales of analytical standards increased by 5% or $14,000 over the corresponding period of the prior year.

Gross profit on product revenues for the second quarter of 2000 of $174,000 represented 57% of product revenues compared to 55% in the corresponding period of the prior year.

Research and development expenses for the quarter ending June 30, 2000 totaled $851,000 an increase of $281,000 or 49% over the corresponding period of the prior year due mainly to increased professional fees and clinical and preclinical study costs for the Company's new bioerodible polymers.

Selling and marketing expense for the quarter ended June 30, 2000 totaled $148,000, an increase of $11,000 or 8% over the corresponding quarter of the prior year, resulting mainly from product advertising expense.

General and administrative for the quarter ended June 30, 2000 totaled $753,000, an increase of $17,000 or 2%, due mainly to increased professional fees.

Interest income for the quarter ended June 30, 2000 of $54,000 was essentially flat with the reported $47,000 in the corresponding period of the prior year. Interest expense for the quarter ended June 30, 2000 decreased by $51,000 or 32% to $110,000 due to scheduled principal repayments in the quarter.

Income from discontinued operations represents the net contribution attributable to the cosmeceutical and toiletries product lines which were sold to R.P. Scherer Corporation on July 25, 2000. For the three months ended June 30, 2000, the net contribution totaled $392,000 compared with $873,000 in the corresponding period of the prior year. This decrease was primarily due to unabsorbed overhead at the manufacturing facility in Louisiana, resulting from a planned reduction in inventory levels and a shift in sales mix from toiletries to cosmeceutical products which require less Microsponge entrapment.

Results of Operations for the Six Months Ended June 30, 2000 and 1999

Royalties for the six months ended June 30, 2000 totaled $989,000 representing an increase of $18,000 or 2% over the corresponding period of the prior year. License and R&D fees in the year-ago quarter related mainly to revenues recognized on the exercise of an option and subsequent purchase of a proprietary product line by a third party. Product revenues from sales of analytical standards totaled $610,000, a decrease of $29,000 or 5%.

As a percentage of sales, gross profit on product revenues for the six months ended June 30, 2000 of $423,000 represented 69% of product revenues compared with 59% in the corresponding period of the prior year.

Research and development expenses for the six months ended June 30, 2000 totaled $1,405,000, an increase of $183,000 or 15% over the corresponding period of the prior year. This increase was due mainly to increased professional fees and clinical and preclinical study costs for the Company's new bioerodible polymers.

Selling and marketing expenses of $277,000 and general and administrative expenses of $1,391,000 for the six months ended June 30, 2000 were essentially flat with the corresponding period of the prior year.

Interest income for the six months ended June 30, 2000 totaled $119,000, an increase of $38,000 or 47% over the corresponding period of the prior year. Interest expense for the six months ended June 30, 2000 totaled $228,000, a decrease of $76,000 or 25% due to scheduled principal repayments in the period.

Income from discontinued operations for the six months ended June 30, 2000 totaled $1,350,000 compared with $1,623,000 in the corresponding period of the prior year.

Capital Resources and Liquidity

Total assets as of June 30, 2000 were $18,646,000 compared with $19,297,000 at December 31, 1999. Working capital decreased to $12,579,000 from $13,135,000 primarily due to a planned reduction in inventory levels of the Company's cosmeceutical and toiletries product lines which were subsequently sold to R.P. Scherer Corporation. (See Subsequent Event) Cash and cash equivalents decreased to $2,671,000 at June 30, 2000 from $3,705,000 at December 31, 1999. During the first six months of 2000, the Company's operating activities used $694,000 compared with $1,469,000 in the first half of 1999. In the first six months of 2000, the Company invested approximately $1,405,000 in product research and development and $277,000 in selling the Company's products.

Trade accounts receivable increased to $4,346,000 at June 30, 2000 from $3,580,000 at December 31, 1999. Days sales outstanding increased to 100 days at June 30, 2000 compared to 89 days at December 31, 1999. The increase in days sales outstanding is mainly due to the increase in accounts receivable, as payments had not yet been received for shipments for product launches by cosmeceutical customers which were heavily weighted towards the last month of the quarter. Receivables from royalties, license and R&D fees decreased to $1,264,000 at June 30, 2000 from $1,493,000 at December 31, 1999 due mainly to the receipt of the payment for the exercise of the option fee relating to the sale of a proprietary product line in the year-ago period.

Capital expenditures for the six months ended June 30, 2000 totaled $6,000, a decrease from the amount spent in the corresponding period of the prior year of $154,000. This decrease was due primarily to the fact that expenditures in the prior period included final purchases relating to plant expansion in Louisiana and the Company's move to new premises in California.

In March 1999, the Company received a $4,000,000 term loan with a fixed interest rate of 13.87%. The loan is secured by the assets of the Company's manufacturing facility in Louisiana and a portion of the Company's accounts receivable. Principal and interest payments were due in equal monthly installments over a period of forty-eight months commencing March 1999. The term loan was obtained mainly to refinance scheduled debt repayments made in the first quarter of 1999. This loan was repaid in full at the close of the sale of the cosmeceutical product lines to R.P. Scherer Corporation.

The Company has financed its operations, including technology and product research and development, from amounts raised in debt and equity financings, the sale of Microsponge and Polytrap delivery systems and analytical standard products, payments received under licensing agreements, and interest earned on short-term investments.

The Company's existing cash and cash equivalents, collections of trade accounts receivable, together with interest income and other revenue-producing activities including royalties, license and option fees and R&D fees, are expected to be sufficient to meet the Company's working capital requirements for the foreseeable future, assuming no changes to existing business plans.

Subsequent Event

In July 2000, the Company sold its cosmeceutical and toiletry business to R.P. Scherer Corporation, a subsidiary of Cardinal Health, Inc. The Company received $25 million up-front and could receive up to an additional $26.5 million over the next three years relating to performance milestones of the purchased business. On receipt of the up-front fee, the Company repaid its outstanding debt in full.

The Company anticipates reporting a gain on sale of its cosmeceutical and toiletry business of approximately $11-13 million in the third quarter of 2000.

New Accounting Standards

In June 1998, the FASB issued SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) which as amended by SFAS No. 137 "Accounting for Derivative Instruments and Hedging Activities, Deferral of the Effective Date of FASB Statement No. 133, and Amendment of FASB Statement No. 133" and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of FASB Statement No. 133", issued in June 2000, will be effective for all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. SFAS 133 generally provides for matching the timing of gain or loss recognition on the hedging instrument with the recognition of (a) the changes in the fair value of the hedged asset or liability that are attributed to the hedged risk or (b) the earnings effect of hedged forecasted transactions. Earlier application of all provisions of this statement is encouraged but it is permitted only as of the beginning of any fiscal quarter that begins after issuance of this statement. The Company anticipates that adoption of this statement will not have a material effect on the consolidated financial statements.

On December 3, 1999, the SEC staff issued Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements (SAB 101). SAB 101 summarizes certain of the staff's views in applying generally accepted accounting principles to revenue recognition in financial statements. In March 2000, the SEC issued SAB 101A, which amends SAB 101 to defer the effective date of required adoption. In June 2000, the SEC issued SAB 101B which further amends the transition guidance for SAB 101, and extends the implementation date of SAB 101 once more. As amended, SAB 101 is required to be adopted in the fourth quarter of a fiscal year that ends on December 31, 2000, and in first, second, and third quarters, respectively, of fiscal years ending in March, June and September 2001. The Company is evaluating the impact of SAB 101 on its consolidated financial statements.

In March 2000, the FASB issued Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation, an interpretation of APB Opinion No. 25. This Interpretation clarifies the application of Opinion 25 for certain issues: a) the definition of employee for purposes of applying Opinion 25, b) the criteria for determining whether a plan qualifies as a noncompensatory plan, c) the accounting consequence of various modifications to the terms of a previously fixed stock option or award, and d) the accounting for an exchange of stock compensation awards in a business combination. Generally, this Interpretation is effective July 1, 2000. We do not expect the adoption of Interpretation No. 44 to have a material effect on our consolidated financial statements.

ITEM 3. Quantitative and Qualitative Disclosure about Market Risk

Since December 31, 1999, there have been no material changes in the Company's market risk exposure.

PART II. OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits: 27 Financial Data Schedule as of and for the six months ended June 30, 2000.

(b) On August 9, 2000 the Company filed a current report on Form 8-K reporting the completion of the sale of its cosmeceutical and toiletry business on July 25, 2000. The Asset Purchase Agreement between the Company and R.P. Scherer Corporation dated June 22, 2000 filed as Exhibit 2.1 to Form 8-K is incorporated here by reference.

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.

ADVANCED POLYMER SYSTEMS, INC.

Date: August 14, 2000 By: /S/ Michael O'Connell

Michael O'Connell
President and Chief
Executive Officer

Date: August 14, 2000 By: /S/ Gordon Sangster

Gordon Sangster
Chief Financial Officer

EXHIBIT INDEX

Form 10-Q

EXHIBIT	DESCRIPTION
27	Financial Data Schedule

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION
EXTRACTED FROM THE UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS
OF JUNE 30, 2000, AND CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2000, AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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DEC-31-2000
JUN-30-2000
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