Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2007

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: 000-29089

Antigenics Inc.

(exact name of registrant as specified in its charter)

Delaware	**06-1562417**
(State or other jurisdiction of incorporation or organization)	***(I.R.S. Employer Identification No.)***

162 Fifth Avenue, Suite 900, New York, New York 10010
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:
(212) 994-8200

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, $.01 Par Value	**The NASDAQ Global Market**
(Title of each class)	***(Name of each exchange on which registered)***

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 is not contained herein, and will not be contained, to the best of 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. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2007 was: $97,351,629. There were 56,587,550 shares of the registrant's Common Stock outstanding as of March 1, 2008.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for the registrant's 2008 Annual Meeting of Stockholders to be held on June 4, 2008, which definitive proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year end of December 31, 2007, are incorporated by reference into Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. Generally, these statements can be identified by the use of terms like “believe,” “expect,” “anticipate,” “plan,” “may,” “will,” “could,” “estimate,” “potential,” “opportunity,” “future,” “project,” and similar terms.

Forward-looking statements include, but are not limited to, statements about generating royalty revenue from QS-21 in the 2010 timeframe, our plans or timelines for performing and completing research, preclinical studies and clinical trials, timelines for releasing data from clinical trials, plans or timelines for initiating new clinical trials, expectations regarding research, preclinical studies, clinical trials and regulatory processes (including additional clinical studies for Oncophage in renal cell carcinoma and our application for marketing approval in Russia), expectations regarding test results, future product research and development activities, the expected effectiveness of therapeutic drugs, vaccines, and combinations in treating diseases, applicability of our heat shock protein technology to multiple cancers and infectious diseases, competitive position, plans for regulatory filings and meetings with regulatory authorities (including potential requests for meetings with regulatory authorities including the U.S. Food and Drug Administration (the “FDA”) regarding Oncophage clinical studies), the sufficiency of our clinical trials in renal cell carcinoma and melanoma, or subgroup analyses of data from these trials, to support a biologics license application (“BLA”) or foreign marketing application for product approval, possible receipt of future regulatory approvals, the performance of collaborative partners in, and revenue expectations from, our strategic license and partnering collaborations, expected liquidity and cash needs, plans to commence, accelerate, decelerate, postpone, discontinue, or resume clinical programs, and reduction of our net cash burn (cash used in operating activities plus capital expenditures, debt repayments, and dividend payments), plans for sales and marketing, implementation of corporate strategy, increased foreign currency exposure if we commercialize in Russia, and future financial performance.

These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, among others, that clinical trials may not demonstrate that our products are both safe and more effective than current standards of care; that the subgroup analyses of our Oncophage clinical trials do not predict survival or efficacy of the product in future studies or use of Oncophage; that we may be unable to obtain sufficient funding or the regulatory authorization necessary to conduct additional clinical trials; that we may not be able to enroll sufficient numbers of patients in our clinical trials; that we may be unable to obtain the regulatory review or approval necessary to commercialize our product candidates because regulatory agencies are not satisfied with our trial protocols or the results of our trials; that we may fail to adequately protect our intellectual property or that it is determined that we infringe on the intellectual property of others; our strategic licenses and partnering collaborations may not meet expectations; manufacturing problems may cause product development and launch delays and unanticipated costs; our ability to raise additional capital; our ability to attract and retain key employees; changes in financial markets, regulatory requirements, and geopolitical developments; the solvency of counter parties under material agreements, including subleases; and general real estate risks.

We have included more detailed descriptions of these risks and uncertainties and other risks and uncertainties applicable to our business in Item 1A. “Risk Factors” of this Annual Report on Form 10-K. We encourage you to read those descriptions carefully. We caution investors not to place significant reliance on forward-looking statements contained in this document; such statements need to be evaluated in light of all the information contained in this document. Furthermore, the statements speak only as of the date of this document, and we undertake no obligation to update or revise these statements.

PART I

Item 1. *Business*

Our Business

Overview

Antigenics Inc. (including its subsidiaries, also referred to in this Annual Report on Form 10-K as "Antigenics", the "Company", "we", "us", and "our") is a biotechnology company developing technologies and product candidates to treat cancers and infectious diseases, primarily based on immunological approaches. Our most advanced product candidate is Oncophage® (vitespen), a patient-specific therapeutic cancer vaccine candidate that has been tested, or is currently being tested, in several cancer indications, including in Phase 3 clinical trials for the treatment of renal cell carcinoma, the most common type of kidney cancer, and for metastatic melanoma. Oncophage has also been tested in Phase 1 and Phase 2 clinical trials in a range of indications and is currently being tested in a Phase 1/2 clinical trial in recurrent glioma, or brain cancer. Our product candidate portfolio also includes: (1) QS-21 Stimulon® adjuvant ("QS-21"), an investigational adjuvant used in numerous vaccines under development for a variety of diseases including, but not limited to, hepatitis, human immunodeficiency virus, influenza, cancer, Alzheimer's disease, malaria, and tuberculosis; (2) AG-707, a therapeutic vaccine program in a Phase 1 clinical trial for the treatment of genital herpes; and (3) Aroplatin™, a liposomal chemotherapeutic in a Phase 1 clinical trial for the treatment of solid tumors and B-cell lymphomas. Our related business activities include research and development, regulatory and clinical affairs, manufacturing, business development, marketing, and administrative functions that support these activities.

Our Products Under Development

Introduction

Oncophage is a patient-specific therapeutic cancer vaccine that is based on a heat shock protein called gp96 and has been studied in Phase 3 clinical trials for the treatment of renal cell carcinoma and metastatic melanoma. Oncophage has received Fast Track designation and Orphan Drug designation from the FDA for both renal cell carcinoma and metastatic melanoma. Oncophage has Orphan Drug status for renal cell carcinoma from the European Medicines Agency ("EMEA").

In our studies to date, Oncophage has shown that it appears to have a favorable safety profile. The most common side effects have been mild to moderate injection site reactions and transient low-grade fevers. We believe that this human data further supports the broad applicability and corresponding commercial potential of our heat shock protein product candidates.

QS-21 is an investigational adjuvant being studied by our collaborative partners in both therapeutic and prophylactic vaccines to enhance immune response to the vaccines. In July 2006, we entered into an expanded license agreement (the "GSK license agreement") and an expanded Manufacturing Technology Transfer and Supply Agreement (the "GSK supply agreement") with GlaxoSmithKline Biologicals SA ("GSK") for the use of QS-21. QS-21 is a key component included in several proprietary adjuvant systems. We have executed license agreements with other companies, including but not limited to, Elan Corporation, plc, through its affiliate Elan Pharmaceuticals International Limited ("Elan"), and Acambis plc ("Acambis") for the right to use QS-21 in their vaccines.

AG-707 is our therapeutic vaccine program for the treatment of genital herpes. AG-707 is a multivalent vaccine (a type of vaccine that addresses multiple components of the virus) that consists of a heat shock protein (Hsc70) associated with multiple synthetic herpes simplex virus-2 peptides. Based on the results of completed toxicology studies and other preclinical activities, we are studying AG-707 in an ongoing Phase 1 clinical trial in patients with genital herpes.

Aroplatin is a novel liposomal third-generation platinum chemotherapeutic that has been studied by Antigenics in two Phase 1 trials of patients with colorectal cancer and other solid tumors and in one Phase 2 trial of patients with advanced colorectal cancer unresponsive to medical treatment. A new formulation of Aroplatin is

currently being evaluated in a Phase 1 dose-escalation trial in solid malignancies and Non-Hodgkin's lymphoma ("NHL"). Platinum chemotherapeutics are cancer drugs containing the metallic element platinum, which has been shown to have some anti-cancer effects. In the case of Aroplatin, the active platinum drug component is encapsulated in a liposome, which is a spherical particle of phospholipids that are components of human cell membranes.

Through our preclinical research programs, we may develop additional novel compounds to treat cancer, infectious diseases, and autoimmune disorders that are designed to be more efficacious and safer than conventional therapies. In addition, we have studied the effect of Oncophage in combination with other agents in preclinical cancer models and are developing process improvements for the production of Oncophage.

For the years ended December 31, 2007, 2006, and 2005, our research and development costs were approximately $21.8 million, $28.6 million, and $47.1 million, respectively.

Heat Shock Protein Technology

Heat shock proteins, also known as HSPs, are also called stress proteins, as their expression is increased when cells experience various stresses like extremes of temperature (hot or cold) and oxygen deprivation. HSPs are present in all cells in all life forms from bacteria to mammals, and their structure and function are similar across these diverse life forms. Under normal conditions, HSPs play a major role in protein folding and transport of protein fragments called peptides within a cell, and are thus also known as "chaperones." Antigenic peptides are also transported by these chaperones, and are those portions of a protein that stimulate immune responses when recognized by the immune cells. Because HSPs interact with and bind many cellular proteins and peptides, they chaperone a broad array of antigenic peptides to facilitate their recognition by the immune system. Thus, HSPs play an integral role in capturing and presenting the antigenic "fingerprint" of a cell to a host's immune system.

Although HSPs are normally found inside cells, they also provide important danger signals when found extracellularly, meaning outside of cells. Detection of HSPs outside of cells is indicative that cell death has occurred. This may have been caused by disease, mutation, or injury, whereby a cell's contents are spilled into body tissue. Extracellular HSPs send powerful "danger signals" to the immune system that initiate a cascade of events capable of generating a targeted immune response against the infection or disease-related cell death.

Combined, the intracellular and extracellular functions of HSPs form the basis of our technology. The "chaperoning" nature of HSPs allows us to produce vaccines containing the antigenic fingerprint of a given disease. In the case of cancer, the vaccines are patient-specific, consisting of HSPs purified from a patient's tumor cells, to which remain bound, or complexed, the broad array of peptides that characterize the patient's tumor. These heat shock protein-peptide complexes, also known as HSPPCs, when injected into the skin, are expected to stimulate a powerful cellular immune response potentially capable of targeting and killing the cancer cells from which these complexes were derived. Because cancer is a highly variable disease from one patient to another, due to rapid mutation of cancer cells, we believe that a patient-specific vaccination approach is required to generate a more robust and targeted immune response against the disease.

For certain diseases, such as genital herpes, we do not believe that a personalized vaccination approach is required, since the pathogen does not vary as greatly from patient to patient as do cancer cells. For example, in our AG-707 product candidate for the treatment of genital herpes, we complex, or bind, several defined antigenic herpes peptides to an HSP (Hsc70) that we genetically engineer, creating an HSPPC. This HSPPC, when injected into the skin, is designed to elicit a cellular immune response to the synthetic peptides carried by the HSP.

Product Development Portfolio

Below is a table showing the clinical trials completed or ongoing with our lead product candidates under development by Antigenics.

PRODUCT PIPELINE		Phase 1	Phase 2	Phase 3
Oncophage	Renal cell carcinoma			•
	Metastatic melanoma			•
	Glioma (a)(c)(d)		•	
	Colorectal cancer		•	
	NHL		•	
	Gastric cancer (a)		•	
	Metastatic renal cell carcinoma (b)		•	
	Lung cancer		•	
	Metastatic melanoma (a)		•	
	Pancreatic cancer	•		
Aroplatin	Colorectal cancer		•	
	Solid tumors/NHL (c)	•		
	Solid tumors	•		
AG-707	Genital herpes (c)	•		

(a) Phase 1/2 trials.
(b) Includes two separate Phase 1/2 and Phase 2 trials.
(c) Enrollment is ongoing.
(d) Investigator-sponsored trial.

Oncophage

Introduction

Oncophage, our most advanced product candidate, is a patient-specific therapeutic cancer vaccine that is based on heat shock protein gp96 and has been studied in Phase 3 clinical trials for the treatment of renal cell carcinoma and metastatic melanoma. Each Oncophage vaccine is made from a patient's tumor tissue. After a surgeon removes a patient's tumor, a portion of that tumor tissue is frozen and shipped overnight to our manufacturing facility in Massachusetts. In our Phase 3 trials, we have required a minimum of five to seven grams of tumor tissue to yield a sufficient amount of Oncophage for clinical use.

Using a proprietary manufacturing process that takes approximately eight to 10 hours per individual patient lot, we isolate the HSPPCs from the tumor tissue. Through this isolation process, the HSPPCs are extracted and purified from the tumor tissue, then formulated in sterile saline solution and packaged in standard single-injection vials. After the performance of quality control testing, including sterility testing, we ship Oncophage frozen back to the hospital pharmacy for administration after a patient has recovered from surgery, which is usually four to six weeks later. A medical professional administers Oncophage by injecting the product into the skin weekly for four weeks and every other week thereafter until that patient's supply of Oncophage is depleted.

Although we believe that our technology is applicable to all cancer types, our initial focus with Oncophage is on cancers that have poor or no available treatment options and that typically yield larger quantities of tumor tissue from the surgical procedure.

We filed an investigational new drug application ("IND") for Oncophage in November 1996 that the FDA allowed on December 20, 1996. We started enrolling patients in our first clinical trial at Memorial Sloan-Kettering Cancer Center in New York, New York in November 1997. To date, we have treated over 750 cancer

patients with Oncophage in our clinical trials. Because Oncophage is a novel therapeutic cancer vaccine that is patient-specific, meaning it is derived from the patient's own tumor, it may experience a long regulatory review process and high development costs, either of which could delay or prevent our commercialization efforts. For additional information regarding regulatory risks and uncertainties, please read the risks identified under "Risk Factors."

Oncophage Clinical Programs

Early-Stage Clinical Trials

The following table summarizes the results from the key ongoing or completed Phase 1, Phase 1/2, and Phase 2 trials to date. These results include complete disappearance (a complete response), substantial shrinkage (partial response), minor shrinkage (minor response), or no change in the size (disease stabilization) of tumor lesions.

Indication (Protocol)	Phase	Patients Treated	Trial Median TTP or Median OS	Trial Results
Metastatic renal cell carcinoma (C-100-03)	1/2	38	TTP: 2.9 m OS: 15 m	– 1 complete response – 2 partial responses – 9 disease stabilizations – 1 patient alive at >5 y
Metastatic renal cell carcinoma (C-100-07)	2	72	OS: 16 m	Of 58 evaluable patients: – 2 complete responses – 2 partial responses – 1 minor response – 7 disease stabilizations – 6 patients alive at >4.9 y; 1 of them alive >5.4 y
Metastatic melanoma (C-100-06)	1/2	45	OS: 1.3 y	– 1 complete response – 9 disease stabilizations – 3 patients alive at 4 y – 1 patient alive at 4.7 y
Locally advanced/metastatic melanoma (C-100-02)	1/2	36	OS: 2.1 y	– 1 patient alive at 6 y – 10 patients alive at 5 y
Recurrent, high-grade glioma (C-100-34) *Investigator-reported data*	1/2	12	OS: 11/12 patients alive more than 6.5 m (from time of recurrence)	Study ongoing. Preliminary results: – 12 patients demonstrated significant tumor-specific immune response
Stage I/II/IIIA non-small cell lung cancer (C-100-26)	2	10	Study closed to enrollment; data collection ongoing	Study closed to enrollment; data collection ongoing
Liver metastases from colorectal cancer (C-100-05)	2	40	OS: 2.9 y	– 1 patient alive at 4.9 y – 11 patients alive at 4 y – At 3.5 y, 78% of patients with tumor-specific T cell response were alive vs. 17% of patients without
Resectable gastric cancer (C-100-04)	1/2	20	OS: 2.9 y	– 1 patient alive at 5 y – 2 patients alive at 4 y
Indolent non-Hodgkin's lymphoma (C-100-09)	2	17	TTP: 5.8 m	Of 12 evaluable patients: – 1 disease stabilization
Resectable pancreatic cancer (C-100-01)	1	11	OS: 2.2 y	Of 10 evaluable patients: – 1 patient alive at 5 y – 2 patients alive at 2.6 y

Table index:

- TTP: time to tumor progression
- OS: overall survival
- m: months
- y: years

Our Phase 1/2 clinical trial in recurrent, high-grade glioma is currently our only ongoing early-stage clinical trial. This study is being lead by the Brain Tumor Research Center at the University of California, San Francisco, with grants from the American Brain Tumor Association and the National Cancer Institute Special Programs of Research Excellence. Phase 1 results, presented at the International Conference on Molecular Targets and Cancer Therapeutics showed that 11 out of 12 patients exceeded the historical median benchmark of 6.5 months survival from time of recurrence. The study also showed that all 12 treated patients demonstrated a significant immune response after vaccination with Oncophage ($P < 0.001$) and that patients with minimal residual disease at time of first vaccination (n = 7) were more likely to survive beyond nine months compared with patients with significant residual disease. The study has progressed to the Phase 2 portion, which is designed to enroll 30 patients.

We believe that the collective results from these clinical trials show that Oncophage has a favorable safety profile. We also believe that these results show that treatment with Oncophage can generate immunological and anti-tumor responses.

Phase 3 Renal Cell Carcinoma Program

Background. Renal cell carcinoma is the most common type of kidney cancer. The American Cancer Society estimates that there will be 54,390 new cases of kidney cancer in the United States in 2008 and about 13,010 people will die from the disease in 2008. GLOBOCAN, a database developed by the World Health Organization's International Agency for Research on Cancer, estimates that there were 58,747 new cases of kidney cancer in the European Union and 16,329 new cases in Russia in 2002. Renal cell carcinoma accounts for about 90 percent of all kidney tumors. By the time renal cell carcinoma is diagnosed in these patients, about one-third of them will have developed metastatic disease. The current standard of care for patients with non-metastatic renal cell carcinoma consists of nephrectomy, meaning the surgical removal of the kidney, followed by observation. For patients with metastatic disease, FDA-approved treatments include intravenous high-dose interleukin-2, or IL-2, Nexavar (sorafenib), Sutent (sunitinib), and Torisel (temsirolimus).

Oncophage has received Fast Track designation for the treatment of renal cell carcinoma from the FDA. It was the first patient-specific therapeutic cancer vaccine to receive Fast Track designation. Oncophage has also received Orphan Drug status in renal cell carcinoma from the FDA and from the EMEA.

We initiated a Phase 3, multicenter, international trial for non-metastatic renal cell carcinoma in 2000 into which the first patient was randomized in February 2001. We did not submit a special protocol assessment to the FDA for this trial, as the guidance for such was not finalized until May 2002. Such an assessment would generally seek confirmation that the FDA would consider the clinical trial protocol acceptable for purposes of product approval. We conducted this trial at sites located in the following countries — USA, Canada, Belgium, Germany, France, Austria, Sweden, Switzerland, Norway, Spain, UK, Netherlands, Israel, Russia, and Poland. In addition, we commenced study initiation activities in a part II Phase 3 trial in February 2005. The FDA has indicated that, by itself, part I of our Phase 3 clinical trial in renal cell carcinoma is not sufficient to support a BLA filing.

On March 24, 2006, we announced top-line results from part I of our Phase 3 study of Oncophage in renal cell carcinoma patients who are at high risk of recurrence after surgery, and disclosed that the trial did not meet its primary endpoint. We also announced the termination of part II of the trial. The analysis was triggered based

on the number of events (defined as recurrence of disease or death of a patient prior to recurrence) reported by study investigators. However, an independent review by the trial's Clinical Events Committee revealed that substantially fewer events had actually occurred. The analysis showed a trend in favor of Oncophage for recurrence-free survival ("RFS", the study's primary endpoint), and a trend against Oncophage for overall survival ("OS", a secondary endpoint); however neither finding was statistically significant. The analysis of the OS endpoint was considered an interim assessment. It was unclear why opposing trends were observed between RFS and OS at that time. Importantly, there was no readily apparent adverse safety signal associated with the vaccine that we believe contributed to this finding.

We conducted an in-depth analysis of data from part I of our Phase 3 study of Oncophage in renal cell carcinoma during April and May 2006 and discussed the results with the FDA and a panel of experts in this medical field. On June 7, 2006, we announced the findings of the analysis. With regard to the primary endpoint, RFS, the analysis showed that there was no statistically significant difference between the two arms in the intent-to-treat population of 728 patients. However, analysis of RFS in a subgroup of better-prognosis patients randomized in the trial who were at intermediate risk of recurrence showed significant improvement (nominal, two-sided *P* value of 0.018 and hazard ratio of 0.567) in favor of the Oncophage arm. The subgroup consisted of 361 patients, or 60% of the 604 patients in the full analysis set ("FAS") population. As defined by FDA-issued guidance, the FAS is the set of subjects that is as close as possible to the ideal implied by the intention-to-treat principle. It is derived from the set of all randomized subjects by minimal and justified elimination of subjects. In this case, patients with baseline disease, who were not eligible for the trial per protocol, were excluded from the FAS population. In this 361-patient subgroup, patients receiving Oncophage had a 44% decreased risk of recurrence compared with patients in the observation arm.

We continued to collect data per the protocol through March 2007, and on May 21, 2007 we announced additional follow-up data. The end-of-study results, which reflected an additional 17 months' data collection, showed that in the intent-to-treat population, no statistically significant difference was found between the two arms. In the subset of better-prognosis patients (n = 362) at intermediate risk for disease recurrence, patients in the Oncophage arm continued to demonstrate significant improvement in RFS of approximately 45 percent (*P* value of less than 0.01 and hazard ratio of 0.55). In addition, updated analysis in this group of intermediate risk patients revealed a trend toward improved OS, the study's secondary endpoint. The positive OS trend observed appeared to correlate with the RFS improvement demonstrated in previous analyses. The results announced in June 2006 reported that a total of 361 patients in the subgroup were defined as having intermediate risk for recurrence of disease. In subsequent follow-up, one patient was recategorized, resulting in an increase in the total number of patients from 361 to 362 in the later analysis.

The Eastern Cooperative Oncology Group is currently sponsoring a large adjuvant renal cell carcinoma trial that stratifies patients by certain prognostic risk factors for recurrence, and puts patients into intermediate risk, high risk, and very high risk categories. We are able to apply these definitions to the data generated as part of our Phase 3 trial of Oncophage in renal cell carcinoma and it is in the intermediate risk, or better prognosis population, where significant improvement over observations is demonstrated.

We continue to analyze the data collected to date, and we have opened a subsequent protocol that will continue to follow patients in the format of a registry in order to collect OS information, as well as investigator reports of disease recurrence. The registry, which is expected to provide additional data on the effectiveness of Oncophage, will follow patients for an additional three years from closure of the initial trial, providing more than five years of data collection following the enrollment of the last patient in the trial. In addition to the patient registry, we intend to initiate a small study in non-metastatic renal cell carcinoma that measures immunological data in the intermediate-risk patient population. This continued data collection and our ongoing analysis is uncertain, and may negatively affect or not affect the acceptability of the overall results of the trial, and even if clinically meaningful, may not meet the requirements of the FDA or other regulatory authorities for submission and approval of a marketing application or similar ex-U.S. applications for product approval.

Guidance received from past discussions with the FDA indicates that further clinical studies must be conducted to demonstrate to them the efficacy and safety of Oncophage. At the appropriate time, we intend to seek a meeting with the FDA to discuss the results of the updated analyses utilizing data through March 2007 to determine whether there is an opportunity to file a BLA on the basis of these results with appropriate commitments to conduct further clinical investigations to support the efficacy of Oncophage in renal cell carcinoma. Because evidence of clinically significant improvement has been observed in a subgroup analysis and was not demonstrated in the pre-specified analysis of the primary and secondary endpoints of the Phase 3 study of Oncophage in renal cell carcinoma, this trial is likely not sufficient to support a BLA for product approval, based on existing standards. Furthermore, this trial may not be sufficient to support approval outside of the U.S.

Registrational Efforts in Renal Cell Carcinoma

We are exploring the steps necessary to seek approval of Oncophage in ex-U.S. markets. This exploration process includes, but is not limited to, formal and informal discussions with international regulatory authorities, key opinion leaders, and consultants with country-specific regulatory experience regarding potential applications for full or conditional marketing approvals and/or named patient programs. In conjunction with this process, on June 25, 2007, we completed the submission of an application for marketing authorization with the Russian Ministry of Public Health for the use of Oncophage in the treatment of kidney cancer patients at intermediate risk for disease recurrence. Until we receive an official decision from the Russian Ministry of Public Health, we cannot be certain of the outcome.

We are in the process of preparing to file a marketing authorization application in Europe for conditional authorization of Oncophage as an adjuvant treatment for kidney cancer patients. Conditional authorization, a relatively new provision, would allow for commercialization of a product with post approval commitments that include annual regulatory evaluation until those commitments are fulfilled. We intend to file the application in the second half of 2008. Preparations associated with filing a marketing application require a multitude of activities, including opening a dialogue with the relevant regulatory agency. Based on these on-going discussions, decisions regarding the intended date of a filing and/or the decision to file at all can be influenced or changed at any time.

Melanoma

Background. Melanoma is the most serious form of skin cancer. According to the American Cancer Society, melanoma accounts for only about three percent of skin cancer cases, yet it causes most skin cancer deaths. The American Cancer Society also estimates that physicians will diagnose about 62,480 new cases of melanoma in the United States in 2008 and that the disease will kill approximately 8,420 people in 2008. The incidence of melanoma is growing at a rate of approximately three percent per year based on a report from the American Cancer Society.

Oncologists treat advanced or metastatic melanoma, also known as stage III or stage IV, with surgery, radiation therapy, immunotherapy, or chemotherapy, depending on the case. Approximately 15% of all melanoma patients at the time of their first diagnosis have stage III or stage IV disease. Existing treatments have not significantly improved overall survival of patients with metastatic melanoma. The median survival time of patients with stage III melanoma varies widely according to published literature. According to published literature, the median survival time of patients with late-stage III melanoma is about 24 months and patients with stage IV melanoma have a median survival time of about seven months. Although oncologists use various treatments, the only FDA-approved therapies for patients with metastatic melanoma are high-dose intravenous interleukin-2 and alpha interferon, another human cytokine.

Oncophage has received Fast Track designation and Orphan Drug status from the FDA for the treatment of metastatic melanoma. In February 2002, we initiated a multicenter, international Phase 3 trial in metastatic melanoma. We conducted this trial at sites located in the following countries — USA, UK, Italy, Poland, Sweden, Hungary, Australia, Russia, and Ukraine. We believe this study does not qualify as registrational due to the relatively high failure rate in vaccine manufacturing.

During the quarter ended September 30, 2004, we completed enrollment of our Phase 3 trial in metastatic melanoma. Our overall manufacturing success rate for this trial was approximately 70%, and as a result during 2004 we indicated that we did not believe this trial would qualify as registrational. In October 2005, we announced preliminary survival data from this trial, and updated findings were presented on June 5, 2006 at the 39th annual meeting of the American Society of Clinical Oncology. Overall, patients in the intent-to-treat Oncophage arm (M1a, b, and c combined categories as defined by the American Joint Committee on Cancer) fared similarly to those in the physician's choice arm in terms of survival, the primary endpoint. Landmark analyses were utilized to aid in exploring dose response (the landmark was set at day 150, which means that a patient had to survive at least 150 days in both arms to be considered for the analysis). The day-150 landmark represents the average time it would take for a patient to receive 10 injections of Oncophage. Using this analysis approach, it was observed that overall median survival time for a subgroup of patients who received at least 10 injections of Oncophage increased by approximately 29% in the Oncophage-treated arm as compared with those in the physician's choice treatment arm (16.5 months versus 12.8 months). These findings also noted that in a subgroup of randomized stage IV M1a and M1b combined patients who received at least 10 doses of Oncophage vaccine, median survival time increased by approximately 143% in the Oncophage-treated arm compared with those in the physician's choice treatment arm (31.2 months versus 12.8 months; nominal, one-sided *P* value of 0.017 and hazard ratio of 0.452). This analysis was not pre-specified. The physician's choice treatment arm included the current array of therapies such as chemotherapeutics, biological agents, and/or surgery. This OS analysis of the primary endpoint on an intent-to-treat basis was not statistically significant. These Phase 3 metastatic melanoma trial results were published in the February 20, 2008 issue of the *Journal of Clinical Oncology*. No additional studies in metastatic melanoma are planned at this time.

Manufacturing

Oncophage is manufactured in our 162,000 square-foot manufacturing and research and development facility in Lexington, Massachusetts. We estimate that the facility's current capacity for Oncophage is approximately 10,000 patient courses per year, expandable to approximately 200,000 patient courses per year, by building-out available space, adding second and third shifts, and automating various functions. On average, it takes eight to 10 hours of direct processing time to manufacture a patient batch of Oncophage. As of December 31, 2007, we had eight employees in our manufacturing department.

After manufacturing, Oncophage is tested and released by our quality systems staff. The quality control organization, consisting of six employees as of December 31, 2007, performs a series of release assays designed to ensure that the product meets all applicable specifications. Our quality assurance staff, consisting of five employees as of December 31, 2007, also reviews manufacturing and quality control records prior to batch release in an effort to assure conformance with current Good Manufacturing Practices, also known as cGMP, as mandated by the FDA and foreign regulatory agencies.

Our Oncophage manufacturing staff is rigorously trained and routinely evaluated for conformance to manufacturing procedures and quality standards. This oversight is intended to ensure compliance with FDA regulations and to provide consistent vaccine output. Our quality control and quality assurance staff is similarly trained and evaluated as part of our effort to ensure consistency in the testing and release of the product, as well as consistency in materials, equipment, and facilities.

QS-21

Introduction

QS-21 is an adjuvant, or a substance added to vaccines and other immunotherapies, that is designed to enhance the body's immune response to the antigen contained within the treatment. QS-21 is best known for its ability to stimulate antibody, or humoral, immune response, and has also been shown to activate cellular immunity. A natural product, QS-21 is a triterpene glycoside, or saponin, a natural compound purified from the

bark of a South American tree called Quillaja saponaria. It is sufficiently characterized with a known molecular structure, thus distinguishing it from other adjuvant candidates, which are typically emulsions, polymers or biologicals.

QS-21 has been tested in approximately 175 clinical trials involving, in the aggregate, over 9,000 subjects in a variety of cancer indications, infectious diseases, and other disorders. These studies have been carried out by academic institutions predominantly located in the United States and by pharmaceutical companies at more than 20 international sites. A number of these studies have shown QS-21 to be significantly more effective in stimulating antibody responses than aluminum hydroxide or aluminum phosphate, the adjuvants most commonly used in approved vaccines in the United States today. None of these QS-21 trials performed to date have been pivotal.

Partnered QS-21 Programs

A number of pharmaceutical and biotechnology companies have licensed QS-21 for use in vaccines to treat a variety of human diseases. Companies with QS-21 programs include GSK, Elan, and Acambis. In return for rights to use QS-21, these companies have generally agreed to pay us license fees, manufacturing payments, milestone payments, and royalties on product sales for a minimum of 10 years after commercial launch. In addition to our corporate licensing arrangements, we have developed a number of academic collaborations to test new vaccine concepts and products containing QS-21. There are approximately 15 vaccines in clinical development that contain QS-21.

GSK. In July 2006, we entered into the GSK license agreement and the GSK supply agreement for the use of QS-21. Under the terms of the agreements, we agreed to supply QS-21 to GSK through 2014. In addition, we agreed to transfer manufacturing technologies under the GSK supply agreement. We will receive payments contingent upon successful milestone achievements and royalties on net sales for a period of at least 10 years after the first commercial sale under the GSK supply agreement. In July 2007, we executed a binding letter of intent with GSK amending the GSK supply agreement to accelerate GSK's commercial-grade QS-21 manufacturing rights. We received a $2.0 million up-front non-refundable payment from GSK in August 2007, in lieu of a milestone payment that would otherwise have been payable under the GSK supply agreement. In addition, GSK is obligated to make payments to us totaling $5.25 million through December 2012, for manufacturing profits that were anticipated to have otherwise been payable under the GSK supply agreement. Except as expressly provided in the letter, all other financial obligations of GSK under the GSK supply agreement, including royalty payments, remain unchanged. We understand that QS-21 is a key component included in several of GSK's proprietary adjuvant systems and that a number of GSK's vaccine candidates currently under development are formulated using adjuvant systems containing QS-21. GSK has initiated a Phase 3 study evaluating its investigational MAGE-A3 Antigen-Specific Cancer Immunotherapeutic containing QS-21 in non-small cell lung cancer. GSK has also released data from a Phase 2 study of its malaria vaccine candidate in African infants. GSK has indicated that it intends to proceed into late stage trials of what could be the first malaria vaccine for infants and young children in Africa.

Elan. In 2005, Elan initiated clinical testing of its modified Alzheimer's disease product candidate containing QS-21. In 2007, Elan initiated Phase 2 studies of the modified Alzheimer's disease product candidate that contains QS-21, and we received a $1.0 million milestone payment from Elan based on this advancement.

Acambis. In January 2008, Acambis, who at the time held an option to license QS-21 for use in influenza, released results from a Phase 1 study of its ACAM-FLU-A™ vaccine, which contains QS-21. The randomized, double-blind, placebo-controlled trial involving 79 subjects consisted of four arms: ACAM-FLU-A alone, ACAM-FLU-A plus aluminum hydroxide adjuvant, ACAM-FLU-A plus QS-21 adjuvant, and placebo. Overall, the trial results demonstrated that ACAM-FLU-A was well tolerated and capable of stimulating an immune response. Although immune responses were observed in all groups that received vaccine, the highest immune response was observed in the group vaccinated with ACAM-FLU-A plus QS-21, in which 90 percent of subjects generated virus-specific antibodies following immunization. Based on these results, Acambis exercised its option for a commercial license to QS-21 and made payments to us totaling $200,000.

Manufacturing

Except in the case of GSK, we have retained worldwide manufacturing rights and have the right to subcontract manufacturing for QS-21. In March 2004, we entered into a supply agreement for the production of QS-21. The supplier is capable of producing up to 2 million doses per batch for investigational use at its facility. The initial term of this agreement has expired, and we are negotiating a new agreement with this supplier. In addition, under the terms of the letter with GSK, GSK is committed to supply certain quantities of QS-21 to us and our licensees in the future.

AG-707

The first potential off-the-shelf application of our heat shock protein technology, AG-707, is an investigational therapeutic vaccine product candidate directed at the virus that causes genital herpes (herpes simplex virus-2 ("HSV-2")). AG-707 is a multivalent vaccine containing multiple synthetic HSV-2 peptides. Based on the results of completed toxicology studies and other preclinical activities, we submitted to the FDA an IND for AG-707 during the second quarter of 2005.

Background. The U.S. Centers for Disease Control and Prevention estimated in surveys from 1997 that about one in five people in the United States ages 12 or older is infected with HSV-2. The World Health Organization estimated in 1995 that approximately 21 million people worldwide are infected each year. Genital herpes is currently treated with palliative topical drugs or antiviral agents that reduce further replication of the virus during the period of treatment.

Clinical Trials. In October 2005, we initiated a multicenter Phase 1 clinical trial of AG-707. We have completed enrollment in the first two dose levels in this study and are currently evaluating immune responses in those patients. If we elect to proceed, the full study will evaluate the safety profile and immune response of patients to AG-707 with and without our QS-21 proprietary adjuvant at three dose levels compared with placebo or adjuvant alone.

Manufacturing

The synthetic peptide components used in AG-707 are manufactured for us by a contract manufacturer. A contract manufacturer also produced the recombinant human Hsc70 used in AG-707. We plan to continue using contract manufacturers to produce the recombinant human Hsc70 and the synthetic peptides for AG-707. The purification of recombinant human Hsc70, complexing with synthetic peptides, fill and finish operations are performed in our Lexington, Massachusetts facility.

Aroplatin

Aroplatin is a novel liposomal formulation of a third-generation platinum chemotherapeutic structurally similar to Eloxatin (oxaliplatin; Sanofi Aventis), a treatment for colorectal cancer. Although structural similarity does not guarantee similar clinical benefit, laboratory studies comparing Aroplatin to oxaliplatin showed that Aroplatin suppressed tumor growth, caused a reduction in tumor size, and provided a 50% increase in survival as compared to control animals. This data represents a five-fold improvement to results seen from the oxaliplatin arm of the study. Laboratory studies also indicate that Aroplatin has considerable anti-tumor activity, which is the ability to kill cancer cells. This anti-tumor activity has been demonstrated in over 10 tumor cell lines with results that are at least three-fold, or better, than those of cisplatin and/or carboplatin, two other approved platinum chemotherapeutic agents.

Platinum chemotherapeutics are cancer drugs containing the metallic element platinum, which has been shown to have some anti-cancer effects. Platinum chemotherapeutics have shown the ability to shrink solid tumors, and often in combination with non-platinum anti-cancer agents, have demonstrated moderate ability to

slow the spread of several types of solid tumor cancers. Published results that demonstrate activity of Aroplatin against tumors cells resistant to cisplatin and carboplatin suggest that Aroplatin may be useful in cancers that are already resistant to platinum agents. Aroplatin is also formulated in liposomes, a round shell of phospholipids, which are basic components of human cell membranes. Liposome formulation has been shown to increase drug bioavailability, or the amount of time and specific distribution within the body, which can extend the treatment effect. In some cases, liposomal drugs have been shown to accumulate at the site of a tumor, delivering higher concentrations of the drug to a disease target. The liposomal delivery system can also help to reduce the damaging effects of some drugs on healthy tissues.

Clinical data collected to date with Aroplatin indicates that it has a safety profile similar to that of a chemotherapeutic agent; the most common side effect being suppression of formation of new red or white blood cells and platelets in the bone marrow. Thus, based on its chemical structure, which makes it active against platinal resistant tumors, and its liposomal formulation, we believe that Aroplatin will have some advantages for the treatment of certain cancers when compared with current platinum-based chemotherapeutics such as oxaliplatin, carboplatin, and cisplatin. We have developed a new formulation of Aroplatin to enhance its pharmacological (action of the drug) activity.

Clinical Trials

In 2002, we initiated a Phase 2 trial with Aroplatin for advanced colorectal cancer unresponsive to medical treatment. This single-arm, open-label trial, conducted at the Arizona Cancer Center, was designed to evaluate the effect of Aroplatin alone in patients whose disease is not responsive to standard first-line cancer treatments (5-fluorouracil/leucovorin or capecitabine and irinotecan). In September 2003, the investigators presented findings from this trial at the European Cancer Conference, also known as ECCO. One out of the 15 evaluable patients demonstrated a partial clinical response and two experienced disease stabilization. Researchers observed that Aroplatin appeared well tolerated in this pretreated patient population. Because this was a single-arm study without a comparator arm, statistical significance is not calculable. This trial is closed to enrollment.

In January 2003, we also initiated at the John Wayne Cancer Center, in Santa Monica, California, a Phase 1/2 trial of Aroplatin for a variety of advanced solid tumors amenable to platinum therapy. The final study data demonstrated that out of the 15 evaluable patients, 14 were reported with disease progression at the first evaluation for disease status after the first treatment with Aroplatin, and one patient demonstrated stabilization of disease with subsequent disease progression after two months. The median time to progression was 66 days with a minimum of 49 days and a maximum of 105 days. This study is complete, and the data have undergone final review and analysis.

In October 2005, we initiated a Phase 1, dose-escalation trial of Aroplatin in solid malignancies and NHL. This study is currently enrolling patients. We hope to reach the maximum tolerated dose in this study in 2008.

Manufacturing

Aroplatin is manufactured for us by contract manufacturers. These contract manufacturers also produce drug products for other pharmaceutical companies at clinical and commercial scale and are periodically inspected by appropriate regulatory agencies.

Preclinical Activities

We are investigating different approaches for increasing Oncophage vaccine yield from patient tumor and potentially allowing manufacture of vaccine from smaller tumors, as well as evaluating the significance of structure of the principle component of Oncophage for biological activity. In preparation for potential future clinical trials, we have been developing methods that will assess the intensity of immunological responses following vaccination with Oncophage. These investigations should continue during 2008.

We continued the preclinical program initiated during 2006 to evaluate Aroplatin in combination with other chemotherapeutic products in multiple tumor models and preliminary results demonstrated an improvement in tumor response and survival for certain regimens. During 2007, we synthesized and tested a new Aroplatin-derived entity. Biological testing of this agent will continue in 2008. We also intend to continue method development in 2008 to support the manufacture of Aroplatin.

Our AG-707 program continued to enroll patients during 2007 and we are currently performing immunological testing following administration of this investigational vaccine. We expect this patient assessment will be completed during 2008. In preclinical experiments, we have been investigating the mechanism of action of this product, specifically determining the role of different populations of immune cells that are stimulated by AG-707. If the results of the patient assessment are positive, we may decide to continue enrollment in the AG-707 trial at the third and final dose level.

Intellectual Property Portfolio

We devote significant resources to protecting and expanding our intellectual property portfolio. We seek to protect our core technologies through a combination of patents, trade secrets and know-how. We currently have exclusive rights to 79 issued United States patents and 86 foreign patents. We also have rights to 20 pending United States patent applications and 107 pending foreign patent applications. Our issued patents cover our core technologies including (i) HSPs such as Oncophage and AG-858 for treatment of cancers; (ii) HSPs such as AG-702/707 for treatment of infections; (iii) HSPs for treatment of autoimmune disorders; (iv) saponin adjuvants such as QS-21; and (v) liposomal drugs, including Aroplatin. In addition, several patent applications are related to technology based on HSP receptors. The following tables provide detailed information regarding the United States patents and patent applications relating to our product candidates and technologies and their uses. The tables encompass less than all of our 165 issued patents and 127 pending patent applications, because a substantial portion of our patent portfolio is directed to alternative and/or non-core technologies.

Products or Technologies	Oncophage & AG-858	AG-707	HSPs in Autoimmune Disorders	HSP Receptors
Number of issued U.S. patents	13	10	1	3
Expiration range	2014 – 2022	2014 – 2022	2017	2022
Number of pending U.S. patent applications	3	1	—	1
Number of issued foreign patents	19	1	—	—
Expiration range	2015 – 2016	2015 – 2016	—	—
Number of pending foreign patent applications	21	6	—	—

We also have rights to 28 issued U.S. patents and six U.S. patent applications, four issued foreign patents and 41 foreign patent applications directed to various other HSP technologies. With the exception of five patent applications that we own outright, all of our patent applications relating to Oncophage, AG-858, and AG-702/707 are licensed exclusively to us.

Products or Technologies	QS-21	Aroplatin
Number of issued U.S. patents	5	4
Expiration range	2008 – 2019	2010 – 2023
Number of pending U.S. patent applications	—	5
Number of issued foreign patents	51	2
Expiration range	2008 – 2019	2006 – 2011
Number of pending foreign patent applications	8	11

Patents expiring in 2008 relate to purified QS-21 and its use in enhancing an immune response to antigens. Although, the remaining patent life for our QS-21 proprietary adjuvant is limited, our license and supply agreements for QS-21 would typically provide royalties for at least 10 years after commercial launch. However, there is no guarantee that we will be able to collect royalties in the future.

All patents and applications relating to QS-21 are owned by Antigenics. All of the U.S. and foreign patents relating to Aroplatin are licensed exclusively to us. We own our U.S. and foreign patent applications relating to Aroplatin.

It is worth noting that:

- patent applications in the United States are currently maintained in secrecy until they are published, generally 18 months after they are first filed;
- patent applications in other countries, likewise, generally are not published until 18 months after they are first filed in those countries;
- publication of technological developments in the scientific or patent literature often lags behind the date of these developments; and
- searches of prior art may not reveal all relevant prior inventions.

In addition to our patents, we rely on our trade secrets and know-how to provide a competitive advantage, and we intend to continue to develop and protect this proprietary information. We take active measures to control access to know-how and trade secrets through confidentiality agreements, which we generally require all of our employees, consultants, and scientific collaborators to execute upon the commencement of an employment or consulting relationship with us. These agreements generally provide that all confidential information developed or made known to the individual by us during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees and consultants, the agreements generally provide that all inventions conceived by the individual in the course of rendering services to us are assigned to us and become our exclusive property.

With the exception of five patent applications that we own outright, all of our heat shock protein patents and patent applications directed to Oncophage, AG-858, and AG-702/707 have been exclusively licensed to us by the following academic institutions:

Mount Sinai School of Medicine

In November 1994, we entered into a patent license agreement with the Mount Sinai School of Medicine. Through the Mount Sinai agreement, we obtained an exclusive worldwide license to patent rights relating to the heat shock protein technology that resulted from the research and development performed by Dr. Pramod Srivastava, our founding scientist and a former member of our Board of Directors. We agreed to pay Mount Sinai a royalty on the net sales of products covered by the licensed patent rights and also provided Mount Sinai with a 0.45% equity interest in the Company (approximately 62,000 shares) valued at approximately $90,000 at the time of issuance. The term of the Mount Sinai agreement ends when the last of the licensed patents expires (2018) or becomes no longer valid. If we fail to pay royalties that are due under the agreement, Mount Sinai may issue written notice to us. If we continue to fail to pay royalties after 60 days from receipt of the written notice, Mount Sinai can terminate the agreement. The Mount Sinai agreement requires us to use due diligence to make the products covered by the licensed patent rights commercially available, including a requirement for us to use best efforts to reach a number of developmental milestones, which have been achieved. If we fail to comply with the due diligence provisions of the agreement, Mount Sinai could take actions to convert our exclusive license to a non-exclusive license after six months written notice. The Mount Sinai Agreement does not contain any milestone payment provisions.

Fordham University

During 1995, Dr. Srivastava moved his research to Fordham University ("Fordham"). We entered into a sponsored research and technology license agreement with Fordham in March 1995 relating to the continued development of the heat shock protein technology and agreed to make payments to Fordham to sponsor

Dr. Srivastava's research. Through the Fordham agreement, we obtained an exclusive, perpetual, worldwide license to all of the intellectual property, including all the patent rights, which resulted from the research and development performed by Dr. Srivastava at Fordham. We also agreed to pay Fordham a royalty on the net sales of products covered by the Fordham agreement through the last expiration date on the patents under the agreement (2018) or when the patents become no longer valid. The agreement does not contain any milestone payment provisions or any diligence provisions. Dr. Srivastava moved his research to the University of Connecticut Health Center during 1997 and, accordingly, the parts of the agreement related to payments for sponsored research at Fordham terminated in mid-1997. During the term of this agreement, we paid Fordham approximately $2.4 million.

University of Connecticut

Research Agreement

In February 1998, we entered into a research agreement with the University of Connecticut Health Center ("UConn") and Dr. Srivastava, relating to the continued development of heat shock protein technology. Effective December 31, 2006, this agreement was terminated, and a termination fee of $250,000 was paid to UConn in January 2007. The termination of this agreement did not affect our existing license rights under the license agreement discussed below.

License Agreement

In May 2001, we entered into a license agreement with UConn. Through the license agreement, we obtained an exclusive worldwide license to patent rights resulting from inventions discovered under the research agreement. The term of the license agreement ends when the last of the licensed patents expires (2019) or becomes no longer valid. UConn may terminate the agreement: (1) if, after 30 days written notice for breach, we continue to fail to make any payments due under the license agreement, or (2) we cease to carry on our business related to the patent rights or if we initiate or conduct actions in order to declare bankruptcy. We may terminate the agreement upon 90 days written notice. The license agreement contains aggregate milestone payments of approximately $1.2 million for each product we develop covered by the licensed patent rights. These milestone payments are contingent upon regulatory filings, regulatory approvals, and commercial sales of products. We have also agreed to pay UConn a royalty on the net sales of products covered by the license agreement as well as annual license maintenance fees beginning in May 2006. Royalties otherwise due on the net sales of products covered by the license agreement may be credited against the annual license maintenance fee obligations. As of December 31, 2007, we have paid approximately $110,000 to UConn under the license agreement. The license agreement gives us complete discretion over the commercialization of products covered by the licensed patent rights but also requires us to use commercially reasonable diligent efforts to introduce commercial products within and outside the United States. If we fail to meet these diligence requirements, UConn may be able to terminate the license agreement.

Amendment Agreement

In March 2003, we entered into an amendment agreement that amended certain provisions of both the research agreement and the license agreement. The amendment agreement granted us a license to additional patent rights. In consideration for execution of the amendment agreement, we agreed to pay UConn an up front payment and to make future payments for each patent or patent application with respect to which we exercised our option under the research agreement. As of December 31, 2007, we have paid approximately $100,000 to UConn under the license agreement, as amended.

With the exception of sixteen patent applications that we own outright, all of our Aroplatin patents have been exclusively licensed to us by the following corporation and institution:

Sumitomo Pharmaceuticals Co., Ltd.

In December 2000, Aronex Pharmaceuticals, Inc., a company we acquired in July 2001, entered into a license agreement with Sumitomo Pharmaceuticals Co., Ltd. ("Sumitomo"). In September 2003, this agreement was amended and restated with Antigenics. The license agreement grants us the exclusive right to an issued U.S. patent application that contains certain claims that relate to Aroplatin. Except for the treatment of hepatoma, the license agreement gives us the exclusive right to make, use, develop, import, and sell Aroplatin in the United States. The term of the license agreement ends when the licensed patent expires in 2020. Either party may terminate the license agreement by giving written notice to the other party upon the occurrence of the following events: (1) if the other party makes an assignment for the benefit of creditors, is the subject of bankruptcy proceedings, or has a trustee or receiver appointed for substantially all of its assets, (2) if the other party becomes insolvent, or (3) if the other party materially defaults in its performance under the license agreement. Prior to our acquisition of Aronex Pharmaceuticals, Inc., Sumitomo received a $500,000 up-front payment in 2001 from Aronex Pharmaceuticals, Inc. and will receive subsequent milestone payments from us in the aggregate of up to $3.5 million if regulatory filings, regulatory approval and sales in connection with Aroplatin occur. We agreed to pay Sumitomo royalties on the net sales of Aroplatin in the United States upon commercialization of the product. The license agreement does not contain any diligence provisions.

University of Texas Board of Regents/University of Texas M.D. Anderson Cancer Center

In June 1988, a predecessor to Aronex Pharmaceuticals, Inc. entered into an exclusive license agreement with: (1) The Board of Regents of The University of Texas System, and (2) The University of Texas System Cancer Center, collectively referred to as the "University of Texas." As amended, the exclusive license agreement grants us the exclusive, worldwide license to the University of Texas' patent rights containing claims that relate to Aroplatin. The term of the exclusive license agreement expires when the last licensed patent expires, which is anticipated to be in 2015. Either party may terminate the agreement upon 60 days written notice if the other party materially breaches any material term of the exclusive license agreement. The agreement requires that we meet certain diligence provisions, specifically the conduct of ongoing and active research, developmental activities, marketing, clinical testing, or a licensing program, directed towards the production and sale of Aroplatin. If we fail to comply with these diligence provisions, the University of Texas may be able to terminate the exclusive license agreement upon 90 days written notice. The University of Texas also has the right to terminate the exclusive license agreement in the event that: (1) we discontinue our business, (2) we have a receiver or trustee appointed for our assets, or (3) we are the subject of a bankruptcy proceeding. We agreed to pay the University of Texas royalties on the net sales of Aroplatin. The applicable royalty percentage is dependent on the level of net sales of Aroplatin. We have also agreed to make a $200,000 milestone payment to the University of Texas if the FDA approves a new drug application for Aroplatin. To date, we have not made any payments to the University of Texas under the license agreement.

Regulatory Compliance

Governmental authorities in the United States and other countries extensively regulate the preclinical and clinical testing, manufacturing, labeling, storage, record keeping, advertising, promotion, export, marketing and distribution, among other things, of our investigational product candidates. In the United States, the FDA under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act and other federal statutes and regulations, subject pharmaceutical products to rigorous review.

In order to obtain approval of a new product from the FDA, we must, among other requirements, submit proof of safety and efficacy as well as detailed information on the manufacture and composition of the product. In most cases, this proof entails extensive preclinical, clinical, and laboratory tests. The FDA may also require

confirmatory trials, post-marketing testing, and extra surveillance to monitor the effects of approved products, or place conditions on any approvals that could restrict the commercial applications of these products.

The first stage required for ultimate FDA approval of a new biologic or drug involves completion of preclinical studies and the submission of the results of these studies to the FDA. This, together with proposed clinical protocols, manufacturing information, analytical data, and other information in an IND, must become effective before human clinical trials may commence. Preclinical studies involve laboratory evaluation of product characteristics and animal studies to assess the efficacy and safety of the product. The FDA regulates preclinical studies under a series of regulations called the current "Good Laboratory Practices," or GLP, regulations. If the sponsor violates these regulations, the FDA may invalidate the studies and require that the sponsor replicate those studies.

After the IND becomes effective, a sponsor may commence human clinical trials. The sponsor typically conducts human clinical trials in three sequential phases, but the phases may overlap. In Phase 1 trials, the sponsor tests the product in a small number of patients or healthy volunteers, primarily for safety at one or more doses. Phase 1 trials in cancer are often conducted with patients who have end-stage or metastatic cancer. In Phase 2, in addition to safety, the sponsor evaluates the efficacy of the product in a patient population somewhat larger than Phase 1 trials. Phase 3 trials typically involve additional testing for safety and clinical efficacy in an expanded population at geographically dispersed test sites. The sponsor must submit to the FDA a clinical plan, or "protocol," accompanied by the approval of the institutions participating in the trials, prior to commencement of each clinical trial. The FDA may order the temporary or permanent discontinuation of a clinical trial at any time. In the case of product candidates for cancer, the initial human testing may be done in patients with the disease rather than in healthy volunteers. Because these patients are already afflicted with the target disease, such studies may provide results traditionally obtained in Phase 2 studies. Accordingly, these studies are often referred to as "Phase 1/2" studies. Even if patients participate in initial human testing and a Phase 1/2 study is carried out, the sponsor is still responsible for obtaining all the data usually obtained in both Phase 1 and Phase 2 studies.

The sponsor must submit to the FDA the results of the preclinical and clinical testing, together with, among other things, detailed information on the manufacture and composition of the product, in the form of a new drug application or, in the case of a biologic, like Oncophage, a BLA. In a process that can take a year or more, the FDA reviews this application and, when and if it decides that adequate data is available to show that the new compound is both safe and effective for a particular indication and that other applicable requirements have been met, approves the drug or biologic for marketing. The amount of time taken for this approval process is a function of a number of variables, including the quality of the submission and studies presented and the potential contribution that the compound will make in improving the treatment of the disease in question.

The Food and Drug Administration Modernization Act established a statutory program for the approval of Fast Track products, including biologics. A Fast Track product is defined as a new drug or biologic intended for the treatment of a serious or life-threatening condition that demonstrates the potential to address unmet medical needs for this condition. Our most advanced product candidate, Oncophage, has been designated by the FDA as a Fast Track product in renal cell carcinoma and metastatic melanoma. We cannot predict whether these designations will impact the timing or likelihood of FDA approval of Oncophage.

The Orphan Drug Program provides a mechanism for the FDA to acknowledge that a product is designed to treat a disease with limited prevalence in the United States. An orphan drug designation bestows certain advantages including extending marketing exclusivity if the product is ultimately approved for marketing, considerations in trial size and design based on the actual patient population, and tax credits for some research and development expenses. We hold orphan drug designations for Oncophage in renal cell carcinoma and in metastatic melanoma.

The FDA may, during its review of a new drug application or biologics license application, ask for additional test data. If the FDA does ultimately approve a product, it may require post-marketing testing, including potentially expensive Phase 4 studies, and extra surveillance to monitor the safety and effectiveness of the drug. In addition, the FDA may in some circumstances impose restrictions on the use of the drug that may be difficult and expensive to administer, and may require prior approval of promotional materials.

Before approving a new drug application or a BLA, the FDA may inspect the facilities at which the product is manufactured and will not approve the product unless the manufacturing facilities appear to be in compliance with cGMP. In order to accomplish this inspection, a local field division of the FDA is responsible for completing this inspection and providing a recommendation for or against approval. We are in communication with the field division of the FDA regarding our manufacturing facilities. This effort is intended to assure appropriate facility and process design to avoid potentially lengthy delays in product approvals due to inspection deficiencies.

Similarly, before approving a new drug or marketing application, the FDA may also conduct pre-licensing inspections of the company, its contract research organizations and/or its clinical trial sites to ensure that clinical, safety, quality control, and other regulated activities are compliant with Good Clinical Practices, or GCP, or GLP, for specific non-clinical toxicology studies.

To assure such cGMP, GCP, and GLP compliance, the applicants must incur significant time, money, and effort in the area of training, record keeping, production, and quality control. Following approval, the manufacture, holding, and distribution of a product must continue to devote significant resources to maintain full compliance in these areas.

The labeling, advertising, promotion, marketing, and distribution of a drug or biologic product must be in compliance with FDA regulatory requirements. Failure to comply with applicable requirements can lead to the FDA demanding that production and shipment cease, and, in some cases, that the manufacturer recall products, or to enforcement actions that can include seizures, injunctions, and criminal prosecution. These failures can also lead to FDA withdrawal of approval to market a product.

Sales of pharmaceutical products outside the United States are subject to foreign regulatory requirements that vary widely from jurisdiction to jurisdiction. Additionally, if a product is manufactured in the United States, but not approved in the United States, certain FDA export regulations have to be satisfied to allow the product to be exported to the foreign country where the product is approved. Whether or not we have obtained FDA approval, we must generally obtain approval of a product by comparable regulatory authorities of international jurisdictions prior to the commencement of marketing the product in those jurisdictions. We are also subject to cGMP, GCP, and GLP compliance obligations, and are subject to inspection by international regulatory authorities. International requirements may in some circumstances be more rigorous than U.S. requirements and may require additional investment in manufacturing process development, non-clinical studies, clinical studies, and record keeping that are not required for U.S. regulatory compliance or approval. The time required to obtain this approval may be longer or shorter than that required for FDA approval and can also require significant resources in time, money, and labor.

We are also planning for compliance with the various federal and state laws pertaining to health care “fraud and abuse,” including anti-kickback laws and false claims laws. Anti-kickback laws make it illegal for a prescription drug manufacturer to solicit, offer, receive, or pay any remuneration in exchange for, or to induce, the referral of business, including the purchase or prescription of a particular drug. False claims laws prohibit anyone from knowingly and willingly presenting, or causing to be presented for payment to third-party payors, including Medicare and Medicaid, claims for reimbursed drugs or services that are false or fraudulent, claims for items or services not provided as claimed, or claims for medically unnecessary items or services.

Under the laws of the United States, the countries of the European Union, and other nations, we and the institutions where we sponsor research are subject to obligations to ensure the protection of personal information

of human subjects participating in our clinical trials. We have instituted procedures that we believe will enable us to comply with these requirements and the contractual requirements of our data sources. The laws and regulations in this area are evolving, and further regulation, if adopted, could affect the timing and the cost of future clinical development activities.

We are also subject to regulation under the Occupational Safety and Health Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, and other current and potential future federal, state, or local regulations. Our research and development activities involve the controlled use of hazardous materials, chemicals, biological materials, various radioactive compounds, and for some experiments we use recombinant DNA. We believe that our procedures comply with the standards prescribed by local, state, and federal regulations; however, the risk of injury or accidental contamination cannot be completely eliminated. We conduct our research and manufacturing activities in voluntary compliance with the National Institutes of Health Guidelines for Recombinant DNA Research.

We are subject to the United States Foreign Corrupt Practices Act, which prohibits corporations and individuals from engaging in specified activities to obtain or retain business or to influence a person working in an official capacity. Under this act, it is illegal to pay, offer to pay, or authorize the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business, or to otherwise influence a person working in an official capacity. Our present and future business has been and will continue to be subject to various other laws and regulations.

Competition

Competition in the pharmaceutical and biotechnology industries is intense. Many pharmaceutical or biotechnology companies have products on the market and are actively engaged in the research and development of products for the treatment of cancer and infectious diseases. In addition, many competitors focus on immunotherapy as a treatment for cancer and infectious diseases. In particular, some of these companies are developing cancer vaccines produced from a patient's own cells or tissue. Others are focusing on developing heat shock protein products. Prior to regulatory approval, we may compete for access to patients with other products in clinical development, with products approved for use in the indications we are studying, or with off-label use of products in the indications we are studying. In addition, we compete for funding, access to licenses, personnel, and third-party collaborations. Many competitors have substantially greater financial, manufacturing, marketing, sales, distribution, and technical resources, and more experience in research and development, clinical trials, and regulatory matters, than we do. Competing companies developing or acquiring rights to more efficacious therapeutic products for the same diseases we are targeting, or which offer significantly lower costs of treatment, could render our products noncompetitive or obsolete.

Academic institutions, governmental agencies, and other public and private research institutions conduct significant amounts of research in biotechnology, medicinal chemistry, and pharmacology. These entities have become increasingly active in seeking patent protection and licensing revenues for their research results. They also compete with us in recruiting and retaining skilled scientific talent.

We are aware of certain programs and products under development by others that may compete with our programs and products. Several companies, including Accentia Biopharmaceuticals, Inc., Avax Technologies Inc., Oncothyreon Inc., Cell Genesys Inc., Dendreon Corporation, Geron Corporation, Medarex, Inc., Nventa Biopharmaceuticals Corporation, Oxford Biomedica PLC, LipoNova GmbH, Favrille, Inc., Genitope Corporation, GlaxoSmithKline plc, Sanofi-Aventis Groupe, and Vaccinogen, Inc. are developing treatments for cancer based on modulation of the immune system, including cancer vaccines. In addition, several companies, including Pfizer Inc., Bristol Myers-Squibb Company, Genentech, Inc., Hoffman-LaRoche Inc., Merck & Co., Inc., Schering-Plough Corporation, AstraZeneca PLC, GlaxoSmithKline plc, Novartis AG and Wyeth, have expertise in, and are developing products for the treatment of cancer and infectious diseases.

Certain companies to which we have licensed QS-21 also license vaccine adjuvants from direct competitors, such as Intercell AG, Pfizer Inc., and Juvaris BioTherapeutics, Inc. The existence of products developed by these and other competitors, or other products of which we are not aware or which other companies may develop in the future, may adversely affect the marketability of products we develop.

Employees

As of February 29, 2008, we had approximately 100 employees, of whom 10 were Ph.D.s and three were MDs. None of our employees are subject to a collective bargaining agreement. We believe that we have good relations with our employees.

Corporate History

Antigenics L.L.C. was formed as a Delaware limited liability company in 1994 and was converted to Antigenics Inc., a Delaware corporation, in February 2000 in conjunction with our initial public offering of common stock.

Availability of Periodic SEC Reports

Our Internet website address is *www.antigenics.com*. We make available free of charge through our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 ("Securities Exchange Act") as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission ("SEC"). The contents of our website are not part of, or incorporated into, this document.

Item 1A. *Risk Factors*

Our future operating results could differ materially from the results described in this Annual Report on Form 10-K due to the risks and uncertainties described below. We cannot assure investors that our assumptions and expectations will prove to have been correct. Important factors could cause our actual results to differ materially from those indicated or implied by forward-looking statements. See "Note Regarding Forward-Looking Statements" on page 2 of this Annual Report on Form 10-K. Factors that could cause or contribute to such differences include those factors discussed below.

Risks Related to our Business

If we incur operating losses for longer than we expect, or we are not able to raise additional capital, we may become insolvent and be unable to continue our operations.

From our inception through December 31, 2007, we have generated net losses totaling $498.6 million. Our net losses for the years ended December 31, 2007, 2006, and 2005 were $36.8 million, $51.9 million, and $74.1 million, respectively. We expect to incur significant losses over the next several years as we continue our clinical trials, apply for regulatory approvals, continue development of our technologies, and pursue commercialization efforts and related activities. Furthermore, our ability to generate cash from operations is dependent on the success of our licensees and collaborative partners, as well as if and when we will be able to enter into new strategic licensing and partnering relationships and/or commercialize our product candidates. If we incur operating losses for longer than we expect, and/or we are unable to raise additional capital, we may become insolvent and be unable to continue our operations.

If we fail to obtain the capital necessary to fund our operations, we will be unable to advance our development and commercialization programs and complete our clinical trials.

On December 31, 2007, we had $18.7 million in cash, cash equivalents, and short-term investments. In January 2008, we completed a private placement of shares of our common stock and warrants, raising net proceeds of $25.8 million, after deducting offering costs of $296,000. We believe, based on our current plans and activities, that our working capital resources at December 31, 2007, along with the proceeds from our private placement in January 2008, and the estimated proceeds from our license, supply, and collaborative agreements, will be sufficient to satisfy our liquidity requirements into 2009. However, we plan to attempt to raise additional funds prior to that time. For the year ended December 31, 2007, our average monthly cash used in operating activities was $2.2 million. Capital expenditures for the year ended December 31, 2007 were insignificant, and we do not anticipate significant capital expenditures during 2008. Since our inception, we have financed our operations primarily through the sale of equity and convertible notes, interest income earned on cash, cash equivalents, and short-term investment balances, and debt provided through secured lines of credit. In order to finance future operations, we will be required to raise additional funds in the capital markets, through arrangements with collaborative partners, or from other sources. Additional financing, however, may not be available on favorable terms or at all. If we are unable to raise additional funds when we need them, we will be required to delay, reduce, or eliminate some or all of our development and commercialization programs and some or all of our clinical trials, including the development and commercialization programs and clinical trials supporting our most advanced product candidate, Oncophage. We also may be forced to license technologies to others under agreements that allocate to third parties substantial portions of the potential value of these technologies.

We have significant long-term debt, and we may not be able to make interest or principal payments when due.

As of December 31, 2007, our total long-term debt, excluding the current portion, was $77.4 million. Our 5.25% convertible senior notes due 2025 do not restrict our ability or the ability of our subsidiaries to incur additional indebtedness, including debt that effectively ranks senior to the notes. On each of February 1, 2012, February 1, 2015 and February 1, 2020, holders may require us to purchase their notes for cash equal to 100% of the principal amount of the notes, plus any accrued and unpaid interest. Holders may also require us to repurchase their notes upon a fundamental change, as defined, at a repurchase price, in cash, equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest, and in some cases, an additional “make-whole” premium.

Our 8% senior secured convertible notes (the “2006 Notes”) mature on August 30, 2011, at which point we may elect to repay the outstanding balance in cash or in common stock, subject to certain limitations. In no event will any of the noteholders be obligated to accept equity that would result in them owning in excess of 9.99% of our outstanding common stock at any given time in connection with any conversion, redemption, or repayment of these notes. The note agreements include material restrictions on our incurrence of debt and liens while these notes are outstanding, as well as other customary covenants.

Our ability to satisfy our obligations will depend upon our future performance, which is subject to many factors, including the factors identified in this “Risk Factors” section and other factors beyond our control. If we are not able to generate sufficient cash flow from operations in the future to service our indebtedness, we may be required, among other things:

- to seek additional financing in the debt or equity markets;
- to refinance or restructure all or a portion of our indebtedness;
- to sell, out-license, or otherwise dispose of assets; and/or
- to reduce or delay planned expenditures on research and development and/or commercialization activities.

Such measures might not be sufficient to enable us to make principal and interest payments. In addition, any such financing, refinancing, or sale of assets might not be available on economically favorable terms.

To date, we have had negative cash flows from operations. For the years ended December 31, 2007, 2006, and 2005, net cash used in operating activities was $26.7 million, $44.9 million, and $66.3 million, respectively. Excluding our 2006 Notes, which mature in 2011 and for which we may elect to pay the interest in cash or additional notes, at our option, and for which the outstanding balance at maturity may be paid in cash or in common stock, subject to certain limitations, and assuming no additional interest-bearing debt is incurred and none of our notes are converted, redeemed, repurchased, or exchanged, our interest payments will be $2.6 million annually during 2008 and thereafter until maturity.

Because we expect additional Phase 3 clinical trials of Oncophage will be required prior to submitting a BLA for any indication, we likely will not commercialize Oncophage in the U.S. for several years, if ever. We may face similar hurdles in other territories where we seek marketing approval.

The FDA has indicated that our Phase 3 clinical trials on Oncophage cannot, by themselves, support BLA filings in the studies' indications (renal cell carcinoma and metastatic melanoma). Any additional studies may take years to complete and may fail to support BLA filings for many reasons, including failure of the trials to demonstrate that Oncophage is safe and effective in the studies' indications, failure to conduct the studies in compliance with the clinical trial protocols, or the FDA's views at the time. We may face similar hurdles in other territories where we seek marketing approval.

Several factors could delay or prevent the approval or successful commercialization of Oncophage in Russia or other jurisdictions we are currently exploring.

On June 25, 2007, the Company completed the submission of an application for marketing authorization with the Russian Ministry of Public Health, which we call the Ministry, for the use of Oncophage in the treatment of kidney cancer patients at intermediate risk for disease recurrence. This was our first submission for product approval with a regulatory authority, and we may fail to obtain this approval. For example, our Phase 3 study in renal cell carcinoma may not be sufficient to support product approval in Russia or any other jurisdiction. Even if product approval is obtained in Russia, we will need to obtain export clearance from the FDA before we could export product from the U.S. for patient administration in Russia. If this clearance is not obtained, it is possible that the only remedy will be for us to manufacture product outside the U.S., and this would require additional time and resources. This could substantially delay our timelines for product launch, and, if we are unable to secure adequate financing to support this effort, we may not be able to make product available. In addition, if we are unable to secure successful local distribution arrangements and/or implement our own logistical processes for distribution of Oncophage, or if we are unable to identify sources of reimbursement and to obtain adequate reimbursement, including from national or regional funds, or to obtain adequate payment from individual patients, our commercialization efforts would be adversely affected. Furthermore, we may experience significant delays in the receipt of payment. We are also exploring potential opportunities to seek product approval in other jurisdictions, including Europe and Canada. However, the probability and timing of commercial launch in any jurisdiction or indication for this product candidate is uncertain.

Analysis of subgroups in clinical trials is generally hypothesis-generating, supportive of future clinical trials, and not generally supportive, alone, of registration or approval of a product.

The signals and trends observed in the Phase 3 renal cell carcinoma and melanoma trials of Oncophage are based on data analysis of subgroups of patients that were not pre-specified in these studies. While the subgroup data might be suggestive of treatment effect, the results cannot be expected, alone, to support registration or approval of Oncophage. While the data provide important evidence that is useful for physicians in designing and conducting future clinical trials, additional evidence may be required to recruit physicians for future clinical research.

The drug development and approval process is uncertain, time-consuming, and expensive.

The process of obtaining and maintaining regulatory approvals for new therapeutic products is lengthy, expensive, and uncertain. It also can vary substantially based on the type, complexity, and novelty of the product. We must provide regulatory authorities with preclinical and clinical data demonstrating that our product candidates are safe and effective before they can be approved for commercial sale. Clinical development, including preclinical testing, is also a long, expensive, and uncertain process. It may take us several years to complete our testing, and failure can occur at any stage of testing. Interim results of preclinical studies or clinical trials do not necessarily predict their final results, and acceptable results in early studies might not be seen in later studies. Any preclinical or clinical test may fail to produce results satisfactory to regulatory authorities. Preclinical and clinical data can be interpreted in different ways, which could delay, limit, or prevent regulatory approval. Negative or inconclusive results from a preclinical study or clinical trial, adverse medical events during a clinical trial, or safety issues resulting from products of the same class of drug could require a preclinical study or clinical trial to be repeated or cause a program to be terminated, even if other studies or trials relating to the program are successful.

Oncophage is a novel therapeutic cancer vaccine that is patient-specific, meaning it is derived from the patient's own tumor. Both the FDA and foreign regulatory agencies, including the European Medicines Agency, which is responsible for product approvals in Europe, Health Canada, which is responsible for product approvals in Canada, and the Ministry have relatively little experience in reviewing patient-specific oncology therapies. Oncophage may experience a long regulatory review process and high development costs, either of which could delay or prevent our commercialization efforts. We have also initiated communications with regulatory health authorities in other jurisdictions to discuss requirements for the approval of Oncophage in renal cell carcinoma. As of December 31, 2007, we have spent approximately 13 years and $238.4 million on our research and development program in heat shock proteins for cancer.

To obtain regulatory approvals, we must, among other requirements, complete carefully controlled and well designed preclinical studies and clinical trials demonstrating that a particular product candidate is safe and effective for the applicable disease. Several biotechnology companies have failed to obtain regulatory approvals because regulatory agencies were not satisfied with the structure or conduct of the preclinical studies and clinical trials, or the ability to collect data or interpret the data from the trials. In addition, data from clinical trials are subject to varying interpretations and the data may not demonstrate the desired safety and efficacy. Similar problems could delay or prevent us from obtaining approvals.

We may not complete our planned preclinical studies or clinical trials on schedule or at all. We may not be able to confirm the safety and efficacy of our potential drugs in long-term clinical trials, which may result in further delays or failure to commercialize our product candidates. The timing and success of a clinical trial is dependent on enrolling sufficient patients in a timely manner, avoiding serious or significant adverse patient reactions, and demonstrating efficacy of the product candidate in order to support a favorable risk versus benefit profile, among other considerations. Because we rely on third-party clinical investigators and contract research organizations to conduct our clinical trials, we may encounter delays outside our control, particularly if our relationships with any third-party clinical investigators or contract research organizations are adversarial. The timing and success of our clinical trials, in particular, are also dependent on clinical sites and regulatory authorities accepting each trial's protocol, statistical analysis plan, product characterization tests, and clinical data. If we are unable to satisfy clinical sites or regulatory authorities with respect to such matters, including the specific matters noted above, or our clinical trials yield inconclusive or negative results, we will be required to modify or expand the scope of our clinical studies or conduct additional studies to support marketing approvals. In addition, regulatory authorities may request additional information or data that is not readily available. Delays in our ability to respond to such requests would delay, and failure to adequately address concerns would prevent, our commercialization efforts.

Also, we or regulatory authorities might further delay or halt our clinical trials for various reasons, including but not limited to:

- we may fail to comply with extensive regulations;
- a product candidate may not appear to be more effective than current therapies;
- a product candidate may have unforeseen, undesirable, or significant adverse side effects, toxicities, or other characteristics;
- we may fail to prospectively identify, or identify at all, the most appropriate patient populations and/or statistical analyses for inclusion in our clinical trials;
- the time required to determine whether a product candidate is effective may be longer than expected;
- we may be unable to adequately follow or evaluate patients after treatment with a product candidate;
- patients may die during a clinical trial because their disease is too advanced or because they experience medical problems that may not be related to the product candidate;
- sufficient numbers of patients may not meet our eligibility criteria and/or enroll in our clinical trials and may withdraw from our clinical trials after they have enrolled; or
- we may be unable to produce sufficient quantities of a product candidate to complete the trial.

Furthermore, regulatory authorities, including the FDA and the Ministry, may have varying interpretations of our preclinical study and clinical trial data, which could delay, limit, or prevent regulatory approval or clearance. Any delays or difficulties in obtaining regulatory approvals or clearances for our product candidates may:

- adversely affect the marketing of any products we or our collaborators develop;
- impose significant additional costs on us or our collaborators;
- diminish any competitive advantages that we or our collaborators may attain;
- limit our ability to receive royalties and generate revenue and profits; and
- adversely affect our business prospects and ability to obtain financing.

If we are delayed in these activities or do not receive regulatory approval for our product candidates in a timely manner, we may have to incur additional development expense, and subject to securing additional financing, we will not be able to commercialize them in the timeframe anticipated, and therefore our business will suffer.

Even if we do receive regulatory approval for our product candidates, the FDA or international regulatory authorities will generally impose limitations on the indicated uses for which our products may be marketed, or subsequently withdraw approval, or may take other actions against us or our products adverse to our business.

The FDA and international regulatory authorities generally approve products for particular indications. If an approval is for a limited indication, this limitation reduces the size of the potential market for that product. Product approvals, once granted, may be withdrawn if problems occur after initial marketing. Failure to comply with applicable FDA and other regulatory requirements can result in, among other things, warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, refusal of the government to renew marketing applications, and/or criminal prosecution.

Federal regulatory reforms may create additional burdens that would cause us to incur additional costs and may adversely affect our ability to commercialize our products.

From time to time, legislation is drafted, introduced, and passed in Congress that could significantly change the statutory provisions governing the approval, manufacturing, and marketing of products regulated by the FDA. For example, on September 27, 2007, the Food and Drug Administration Amendments Act of 2007, the FDAAA, was enacted, giving the FDA enhanced post-marketing authority, including the authority to require post-market studies and clinical trials, labeling changes based on new safety information, and compliance with risk evaluation and mitigation strategies. Failure to comply with any requirements under the FDAAA may result in significant penalties. The FDAAA also authorizes significant civil money penalties for the dissemination of false or misleading direct-to-consumer advertisements and allows the FDA to require companies to submit direct-to-consumer television drug advertisements for FDA review prior to public dissemination. Additionally, the new law expands the clinical trial registry so that sponsors of all clinical trials, except for Phase I trials, are required to submit certain clinical trial information for inclusion in the clinical trial registry data bank. The FDA's exercise of its new authority could result in delays or increased costs during the period of product development, clinical trials and regulatory review and approval, increased costs to assure compliance with new post-approval regulatory requirements, and potential restrictions on the sale of approved products. In addition to the FDAAA, FDA regulations and guidance are often revised or reinterpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether further legislative changes will be enacted, or whether FDA regulations, guidance, or interpretations will change, and what the impact of such changes, if any, may be.

Challenges in identifying sufficient numbers of patients that meet our eligibility criteria, enrolling patients in our studies, or retaining patients in our studies after they have enrolled, will slow or prevent completion of clinical trials.

We have encountered in the past, and may encounter in the future, delays in initiating trial sites and in enrolling patients into our clinical trials. Future enrollment delays will postpone the dates by which we expect to complete the impacted trials and the potential receipt of regulatory approvals, and may result in increased cost. If we fail to enroll a sufficient number of patients in clinical trials, the trials may fail to demonstrate the efficacy of a product candidate at a statistically significant level. Enrollment difficulties may arise due to many factors, including the nature of our product candidates, the identification of patients meeting the inclusion criteria, the speed of clinical trial site review of our protocols and their success in enrollment, delay in contract negotiations with clinical trial sites, increased industry demand for trial patients, the advanced disease state of the patients, or a high dropout rate, among others. Patients may also die during a clinical trial if their disease is advanced or because they experience problems unrelated to the product candidate.

If new data from our research and development activities continues to modify our strategy, then we expect to continually adjust our projections of timelines and costs of programs; this uncertainty may depress the market price of our stock and increase our expenses.

Because we are focused on novel technologies, our research and development activities, including our preclinical studies and clinical trials, involve the ongoing discovery of new facts and the generation of new data, based on which we determine next steps for a relevant program. These developments are sometimes a daily occurrence and constitute the basis on which our business is conducted. We need to make determinations on an ongoing basis as to which of these facts or data will influence timelines and costs of programs. We may not always be able to make such judgments accurately, which may increase the costs we incur attempting to commercialize our product candidates. These issues are pronounced in our efforts to commercialize Oncophage, which represents an unprecedented approach to the treatment of cancer.

We may need to successfully address a number of technological challenges in order to complete development of our product candidates. Moreover, these product candidates may not be effective in treating any disease or may prove to have undesirable or unintended side effects, toxicities, or other characteristics that may preclude our obtaining regulatory approvals or prevent or limit commercial use.

Failure to enter into significant collaboration agreements may hinder our efforts to develop and commercialize our product candidates and will increase our need to rely on other financing mechanisms, such as sales of securities, to fund our operations.

We have been engaged in efforts to enter into collaborative agreements with one or more pharmaceutical or larger biotechnology companies to assist us with development and/or commercialization of our product candidates.

While we have been pursuing these business development efforts for several years, we have not negotiated an agreement relating to the potential development or commercialization of Oncophage. Due to the announcement in March 2006 that part I of our Phase 3 trial in renal cell carcinoma did not achieve its primary endpoint, and because companies may be skeptical regarding the potential success of a patient-specific product candidate, many companies may be unwilling to commit to an agreement prior to receipt of additional clinical data, if at all. In the absence of such data, potential collaborative partners may demand economic terms that are unfavorable to us, or may be unwilling to collaborate with us at all. Even if Oncophage generates favorable clinical data over the next several years, we may not be able to negotiate a collaborative transaction at all, or negotiate one that provides us with favorable economic terms.

We plan on pursuing business development efforts to partner each of Aroplatin and AG-707. These products are at an early stage, and collaborative partners or licensees may defer discussions until results from early clinical trials become available, or they may not engage in such discussions at all.

We may not be able to negotiate agreements with economic terms similar to those negotiated by other companies. We may not, for example, obtain significant up-front payments or substantial royalty rates. If we fail to enter into collaboration agreements, our efforts to develop and/or commercialize Oncophage, Aroplatin, or AG-707 may be undermined. In addition, if we do not raise funds through collaboration agreements, we will need to rely on other financing mechanisms, such as sales of securities, to fund our operations. Sales of certain securities may substantially dilute the ownership of existing stockholders.

Because we rely on collaborators and licensees for the development and commercialization of some of our product candidate programs, these programs may not prove successful, and/or we may not receive significant payments from such parties, due to unsuccessful results or abandonment of these programs, failure to enter into future collaborations or license agreements, or the inability to manufacture product supply requirements for our collaborators and licensees.

Part of our strategy is to develop and commercialize some of our product candidates by continuing our existing arrangements with academic and corporate collaborators and licensees and by entering into new collaborations. Our success depends on our ability to negotiate such agreements and on the success of the other parties in performing research, preclinical and clinical testing, completing regulatory applications, and commercializing product candidates. For example, the development of Oncophage for the treatment of glioma is currently dependent in part on the efforts of our institutional collaborators, such as the Brain Tumor Research Center at the University of California, San Francisco, which has recently initiated a Phase 2 clinical trial of Oncophage for the treatment of recurrent glioma. In addition, several product candidates containing QS-21 depend on the success of our collaborative partners or licensees, and the Company's relationships with these third parties. Such product candidates depend on our collaborators and licensees successfully enrolling patients and completing clinical trials, being committed to dedicating the resources to advance these product candidates, obtaining regulatory approvals, and successfully commercializing product candidates.

These development activities may fail to produce marketable products. For example, in August 2006, Pharmexa A/S announced a decision to cease dosing patients in their Phase 2 clinical trial of their HER-2 Protein AutoVac™ breast cancer vaccine containing our QS-21 adjuvant, after it was determined that the trial was unlikely to meet its primary endpoint. Several of our agreements also require us to transfer important rights and

regulatory compliance responsibilities to our collaborators and licensees. As a result of collaborative agreements, we will not control the nature, timing, or cost of bringing these product candidates to market. Our collaborators and licensees could choose not to devote resources to these arrangements or, under certain circumstances, may terminate these arrangements early. They may cease pursuing product candidates or elect to collaborate with different companies. In addition, these collaborators and licensees, outside of their arrangements with us, may develop technologies or products that are competitive with those that we are developing. From time to time, we may also become involved in disputes with our collaborators. Such disputes could result in the incurrence of significant expense. As a result of these factors, our strategic collaborations may not yield revenue. Furthermore, we may be unable to enter into new collaborations or enter into new collaborations on favorable terms. Failure to generate significant revenue from collaborations would increase our need to fund our operations through sales of securities and could limit financial resources available for investment in manufacturing capacity expansion.

If we are unable to purify heat shock proteins from some cancer types, we may have difficulty successfully initiating clinical trials in new indications or completing our clinical trials, and, even if we do successfully complete our clinical trials, the size of our potential market could decrease.

Our ability to successfully develop and commercialize Oncophage for a particular cancer type depends on our ability to purify heat shock proteins from that type of cancer. If we experience difficulties in purifying heat shock proteins for a sufficiently large number of patients in our clinical trials, it may lower the probability of a successful analysis of the data from these trials and, ultimately, the ability to obtain regulatory approvals. For example, our inability to manufacture adequate amounts of Oncophage for approximately 30% of the patients randomized in the Oncophage treatment arm of the metastatic melanoma trial undermined the potential for the trial to meet its pre-specified clinical endpoints. To address this lower success rate for melanoma, we included additional protease inhibitors in the manufacturing process to further limit the breakdown of the product. Subsequent to the implementation of this change, we successfully produced Oncophage for 18 of 23 patients, a success rate of approximately 78%, whereas previously we had produced Oncophage for 123 of 179 patients, a success rate of approximately 69%. The small sample size used subsequent to our process change may make the reported improvement in our manufacturing success unreliable as a predictor of future success.

We have successfully manufactured product for 100%, 10 of 10, of the patients randomized to treatment in our Phase 2 lung cancer trial and 95%, 21 of 22, of the patients randomized to treatment in our Phase 2 metastatic renal cell carcinoma trial. Based on our clinical trials to date, we have been able to manufacture Oncophage from 87% of the tumors delivered to our manufacturing facility; for non-metastatic renal cell carcinoma, 92%; for melanoma, 70%; for colorectal cancer, 98%; for gastric cancer, 81%; for lymphoma, 89%; for glioma, 76%; and for pancreatic cancer, 46%. The low rate for pancreatic cancer is due to the abundance of proteases in pancreatic tissue. Proteases are enzymes that break down proteins. These proteases may degrade the heat shock proteins during the purification process. We have made process development advances that have improved the manufacture of Oncophage from pancreatic tissue. In an expanded Phase 1 pancreatic cancer study, Oncophage was manufactured from five of five tumor samples (100%), bringing the aggregate success rate for this cancer type, which was previously 30%, to 46%.

We may encounter problems with other types of cancer as we expand our research. If we cannot overcome these problems, the number of cancer types that our heat shock protein product candidates could treat would be limited. In addition, if we commercialize our heat shock protein product candidates, we may not be able to replicate past manufacturing success rates and we may face claims from patients for whom we are unable to produce a vaccine.

Manufacturing problems may cause product launch delays and unanticipated costs.

If one of our product candidates or our licensees' product candidates for which we maintain exclusive or primary manufacturing rights for a component nears marketing approval or is approved for sale, we expect we would be required to manufacture substantially more than we have been required to manufacture for preclinical

studies and clinical trials. We have no experience manufacturing products in commercial quantities, and we can provide no assurance that we will be able to do so successfully. We may experience higher manufacturing failure rates than we have in the past if and when we attempt to substantially increase production volume.

Currently, we manufacture Oncophage and AG-707 in our own manufacturing facility. Because Oncophage is a patient-specific biologic, it requires product characterization steps that are more onerous than those required for most chemical pharmaceuticals. Accordingly, we employ multiple steps to attempt to control the manufacturing processes. Minor deviations in these manufacturing processes could result in unacceptable changes in the vaccine and result in production failures. AG-707 is also a complex product requiring Good Manufacturing Practices, or GMP, for the manufacture and release of a recombinant protein and a large number of peptides. In order to prepare additional AG-707 to support future clinical trials, we will have to manufacture or have manufactured these critical raw materials. If we choose to manufacture QS-21 and Aroplatin in our own manufacturing facility, the investment of substantial funds and the recruitment of qualified personnel would be required in order to build or lease and operate new manufacturing facilities. In order to continue to support QS-21 product candidates and Aroplatin development, apply for regulatory approvals, and commercialize these product candidates, we or our licensees or collaborators will need to develop, contract for, or otherwise arrange for the necessary manufacturing capabilities. There is no assurance that we or our licensees or collaborators will be successful in these endeavors.

We currently rely upon and expect to continue to rely upon third parties, potentially including our collaborators or licensees, to produce materials required for product candidates, preclinical studies, clinical trials, and commercialization. A number of factors could cause production interruptions at our manufacturing facility or our contract manufacturers, including equipment malfunctions, labor or employment retention problems, natural disasters, power outages, terrorist activities, or disruptions in the operations of our suppliers. Alternatively, there is the possibility we may have excess manufacturing capacity if product candidates do not progress as planned.

There are a limited number of contract manufacturers that operate under the FDA's GMP regulations that are capable of manufacturing our product candidates. If we are unable to do so ourselves or arrange for third-party manufacturing of these product candidates, or to do so on commercially reasonable terms, we may not be able to complete development of these product candidates or commercialize them ourselves or through our collaborative partners or licensees. Reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured products ourselves, including reliance on the third party for regulatory compliance, the possibility of breach of the manufacturing agreement by the third party because of factors beyond our control, and the possibility of termination or non-renewal of the agreement by the third party, based on its own business priorities, at a time that is costly or inconvenient for us.

Manufacturing is also subject to extensive government regulation. Regulatory authorities must approve the facilities in which human health care products are produced. In addition, facilities are subject to ongoing inspections and minor changes in manufacturing processes may require additional regulatory approvals, either of which could cause us to incur significant additional costs and lose revenue.

If we fail to sustain and further build our intellectual property rights, competitors will be able to take advantage of our research and development efforts to develop competing products.

If we are not able to protect our proprietary technology, trade secrets, and know-how, our competitors may use our inventions to develop competing products. We currently have exclusive rights to 79 issued U.S. patents and 86 foreign patents. We also have rights to 20 pending U.S. patent applications and 107 pending foreign patent applications. However, we may not have patent coverage in all territories where we may pursue regulatory approval. In addition, our patents may not protect us against our competitors. Our patent positions, and those of other pharmaceutical and biotechnology companies, are generally uncertain and involve complex legal, scientific, and factual questions. The standards which the United States Patent and Trademark Office uses to grant patents, and the standards which courts use to interpret patents, are not always applied predictably or

uniformly and can change, particularly as new technologies develop. Consequently, the level of protection, if any, that will be provided by our patents if we attempt to enforce them, and they are challenged, is uncertain. In addition, the type and extent of patent claims that will be issued to us in the future is uncertain. Any patents that are issued may not contain claims that permit us to stop competitors from using similar technology.

In addition to our patented technology, we also rely on unpatented technology, trade secrets, and confidential information. We may not be able to effectively protect our rights to this technology or information. Other parties may independently develop substantially equivalent information and techniques or otherwise gain access to or disclose our technology. We generally require each of our employees, consultants, collaborators, and certain contractors to execute a confidentiality agreement at the commencement of an employment, consulting, collaborative, or contractual relationship with us. However, these agreements may not provide effective protection of our technology or information, or in the event of unauthorized use or disclosure, they may not provide adequate remedies.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights, and we may be unable to protect our rights to, or use, our technology.

If we choose to go to court to stop someone else from using the inventions claimed in our patents, that individual or company has the right to ask a court to rule that our patents are invalid and should not be enforced against that third party. These lawsuits are expensive and would consume time and other resources even if we were successful in stopping the infringement of our patents. In addition, there is a risk that the court will decide that our patents are not valid and that we do not have the right to stop the other party from using the claimed inventions. There is also the risk that, even if the validity of our patents is upheld, the court will refuse to stop the other party on the grounds that such other party's activities do not infringe our patents.

We may not have rights under some patents or patent applications related to some of our existing and proposed products or processes. Third parties may own or control these patents and patent applications in the United States and abroad. Therefore, in some cases, such as those described below, in order to develop, use, manufacture, sell, or import some of our existing or proposed products, or develop or use some of our existing or proposed processes, we or our collaborators may choose to seek, or be required to seek, licenses under third-party patents issued in the United States and abroad, or those that might issue from United States and foreign patent applications. In such an event, we likely would be required to pay license fees or royalties or both to the licensor. If licenses are not available to us on acceptable terms, we or our collaborators may not be able to exploit these products or processes.

Furthermore, a third party may claim that we are using inventions covered by such third-party's patents or other intellectual property rights and may go to court to stop us from engaging in our normal operations and activities. These lawsuits are expensive and would consume time and other resources. There is a risk that a court would decide that we are infringing the third-party's patents and would order us to stop the activities covered by the patents. In addition, there is a risk that a court will order us to pay the other party substantial damages for having violated the other party's patents. The biotechnology industry has produced a proliferation of patents, and it is not always clear to industry participants, including us, which patents cover various types of products. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. We know of patents issued to third parties relating to heat shock proteins and alleviation of symptoms of cancer. We have reviewed these patents, and we believe, as to each claim in those patents, that we either do not infringe the claim, or that the claim is invalid. Moreover, patent holders sometimes send communications to a number of companies in related fields suggesting possible infringement, and we, like a number of biotechnology companies, have received such communications, including with respect to the third-party patents mentioned above, as well as communications alleging infringement of a patent relating to certain gel-fiberglass structures. If we are sued for patent infringement, we would need to demonstrate that our products either do not infringe the patent claims of the relevant patent and/or that the patent claims are invalid, which we may not be able to do. Proving invalidity, in particular, is difficult, since it requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents.

Two patent applications licensed to us contain claims that are substantially the same as claims in a third-party patent relating to heat shock proteins. At our request, the United States Patent and Trademark Office declared an interference with this third-party patent, U.S. Patent No. 6,713,608 which we believe is owned by the Science & Technology Corporation @ UNM (University of New Mexico). The patentee failed to participate in the interference proceedings and the United States Patent and Trademark Office cancelled all of the claims of U.S. Patent No. 6,713,608.

On October 12, 2005, a third party filed a notice of opposition in the European Patent Office to European patent EP 0750513 B1 which has claims relating to AG-702/707 and to which we hold the exclusive license. On January 21, 2008, the opposition division of the European Patent Office issued its decision revoking the patent. This decision may be appealed by March 21, 2008. For strategic reasons, we have decided not to appeal this decision.

We may become involved in expensive patent litigation or other proceedings, which could result in our incurring substantial costs and expenses or substantial liability for damages, or require us to stop development and commercialization efforts.

There has been substantial litigation and other proceedings regarding patent and other intellectual property rights in the pharmaceutical and biotechnology industries. We may become a party to patent litigation or other proceedings regarding intellectual property rights.

The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the cost of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. If a patent litigation or other proceeding is resolved against us, we or our collaborators may be enjoined from using, manufacturing, selling, or importing our products or processes without a license from the other party, and we may be held liable for significant damages. We may not be able to obtain any required licenses on commercially acceptable terms or at all.

Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to enter into collaborations with other entities, obtain financing, or compete in the marketplace. Patent litigation and other proceedings may also absorb significant management time.

Our patent protection for any compound or product that we seek to develop may be limited to a particular method of use or indication such that, if a third party were to obtain approval of the compound or product for use in another indication, we could be subject to competition arising from off-label use.

Although we generally seek the broadest patent protection available for our proprietary compounds, we may not be able to obtain patent protection for the actual composition of matter of any particular compound and may be limited to protecting a new method of use for the compound or otherwise restricted in our ability to prevent others from exploiting the compound. If we are unable to obtain patent protection for the actual composition of matter of any compound that we seek to develop and commercialize and must rely on method of use patent coverage, we would likely be unable to prevent others from manufacturing or marketing that compound for any use that is not protected by our patent rights. If a third party were to receive marketing approval for the compound for another use, physicians might nevertheless prescribe it for indications that are not described in the product’s labeling or approved by the FDA or other regulatory authorities. Even if we have patent protection of the prescribed indication, as a practical matter, we likely would have little recourse as a result of this off-label use. In that event, our revenues from the commercialization of the compound would likely be adversely affected.

If we fail to comply with our obligations in our intellectual property licenses with third parties, we could lose license rights that are important to our business.

We are a party to various license agreements under which we receive the right to practice and use important third-party patent rights. We may enter into additional licenses in the future. Our existing licenses impose, and we expect future licenses will impose, various diligence, milestone payment, royalty, insurance, and other obligations on us. If we fail to comply with these obligations, the licensor may have the right to terminate the license, in which event we might not be able to market any product that is covered by the licensed patents.

If we fail to retain the services of, and/or maintain positive relations with, key individuals and our employees, we may be unable to successfully develop our product candidates, conduct clinical trials, and obtain financing.

Garo H. Armen, Ph.D., the Chairman of our Board of Directors and our Chief Executive Officer, co-founded Antigenics in 1994 with Pramod K. Srivastava, Ph.D., and has been and continues to be integral to building our company and developing our technology. If Dr. Armen severed his relationship with Antigenics, our business may be adversely impacted.

Effective December 1, 2005, we entered into an employment agreement with Dr. Armen. Subject to the earlier termination as provided in the agreement, the agreement has an original term of one year and automatically extends thereafter for successive terms of one year each, unless either party provides notice to the other at least ninety days prior to the expiration of the original or any extension term. Dr. Armen plays an important role in our day-to-day activities. We do not carry key employee insurance policies for Dr. Armen or any other employee.

Dr. Srivastava currently has a consulting agreement with us pursuant to which he is retained to provide advice and services to Antigenics from time to time. This agreement has an initial term ending March 31, 2010. However, the parties are in discussions regarding potential early termination.

We also rely greatly on employing and retaining other highly trained and experienced senior management and scientific and operations personnel. The competition for these and other qualified personnel in the biotechnology field is intense. In order to reduce our expenses, we have restructured our business and reduced staffing levels. This has in many cases eliminated any redundancy in skills and capabilities in key areas. If we are not able to attract and retain qualified personnel, we may not be able to achieve our strategic and operational objectives.

We may face litigation that could result in substantial damages and may divert management's time and attention from our business.

Antigenics, our Chairman and Chief Executive Officer, Garo H. Armen, Ph.D., and two investment banking firms that served as underwriters in our initial public offering have been named as defendants in a federal civil class action lawsuit. The suit alleges that the brokerage arms of the investment banking firms charged secret excessive commissions to certain of their customers in return for allocations of our stock in the offering. The suit also alleges that shares of our stock were allocated to certain of the investment banking firms' customers based upon agreements by such customers to purchase additional shares of our stock in the secondary market. We submitted settlement papers with the Federal District Court for the Southern District of New York, which the court preliminarily approved in August 2005. The settlement remained subject to a number of conditions, including final court approval. In December 2006, the appellate court overturned the certification of classes in the six test cases that were selected by the underwriter defendants and plaintiffs in the coordinated proceedings. Class certification was one of the conditions of the settlement. Accordingly, on June 25, 2007, the court entered an order terminating the proposed settlement based on a stipulation among the parties to the settlement. It is uncertain whether there will be any revised or future settlement. To date, the plaintiffs have not asserted a specific amount of damages and, at this time, we cannot make a reliable estimate of possible loss, if any, related to this litigation. Regardless of the outcome, participation in this lawsuit diverts our management's time and attention from our business and may result in our paying damages.

In addition, we are involved in other litigation and may become involved in additional litigation. Any such litigation could be expensive in terms of out-of-pocket costs and management time, and the outcome of any such litigation is uncertain.

Our directors and officers insurance policies provide $25.0 million annual aggregate coverage and $25.0 million per occurrence coverage. This limited insurance coverage may not be sufficient to cover us for future claims.

If we fail to obtain adequate levels of reimbursement for our product candidates, the commercial potential of our product candidates will be significantly limited.

In many of the markets where we or our collaborative partners would commercialize a product following regulatory approval, the prices of pharmaceutical products are subject to direct price controls by law and to drug reimbursement programs with varying price control mechanisms. Public and private health care payers control costs and influence drug pricing through a variety of mechanisms, including through negotiating discounts with the manufacturers and through the use of tiered formularies and other mechanisms that provide preferential access to certain drugs over others within a therapeutic class. Payers also set other criteria to govern the uses of a drug that will be deemed medically appropriate and therefore reimbursed or otherwise covered.

Sales of therapeutic and other pharmaceutical products are dependent in part on the availability of reimbursement to the physician or consumer from third-party payers, such as government or private insurance plans. Our profitability will depend on the extent to which government authorities, private health insurance providers, and other organizations provide reimbursement for the cost of our product candidates. Government and private third-party payers are increasingly challenging the prices charged for medical products and services, through class action litigation and otherwise, and increasingly attempt to limit and/or regulate the reimbursement for medical products. Many patients will not be capable of paying for our product candidates by themselves. Cost containment measures by third parties may prevent us from becoming profitable.

It is not clear that public and private insurance programs will determine that Oncophage or our other product candidates come within a category of items and services covered by their insurance plans. Generally, in Russia, Europe, and other countries outside the U.S., government sponsored health care systems pay a substantial share of health care costs and they may regulate reimbursement levels of our products to control costs. The reimbursement system in Russia is changing rapidly and has experienced serious funding and administrative problems for its national and regional reimbursement programs, such as the program known by the Russian acronym of DLO which was established in January 2005 to provide free-of-charge prescriptions to low-income Russians. This has resulted in substantially delayed payments and in fewer drugs being covered. In addition, the Russian government is attempting to reduce costs by various means, including attempting to reduce coverage for drugs produced outside of Russia, as they tend to cost more than drugs produced in Russia. Furthermore, it is possible that reimbursement for cancer drugs, and other therapeutic areas, will be covered by a newly created system. It is uncertain what level of reimbursement the Russian government may provide for cancer drugs in the future. Drug reimbursement in Russia could continue to undergo change. Therefore, even if we succeed in achieving marketing approval in Russia, reimbursement problems may prevent us from becoming profitable.

It is possible that there will be substantial delays in obtaining coverage of Oncophage or our other product candidates and that, if coverage is obtained, there may be significant restrictions on the circumstances in which there would be reimbursement. Where government or insurance coverage is available, there may be limits on the payment amount. Such limits could have a material adverse effect on sales of any of our product candidates that receive marketing approval. If we are unable to obtain or retain adequate levels of reimbursement from government or private health plans, our ability to sell Oncophage and our other potential products will be adversely affected.

Federal, state, and foreign governments continue to propose legislation designed to contain or reduce health care costs. Legislation and regulations affecting the pricing of our potential products may change further or be

adopted before Oncophage or any of our other potential products are approved for marketing. Cost control initiatives by governments or third-party payers could decrease the price that we receive for any one or all of our potential products or increase patient coinsurance to a level that makes Oncophage and our other potential products under development unaffordable. In addition, government and private health plans persistently challenge the price and cost-effectiveness of therapeutic products. Accordingly, these third parties may ultimately not consider Oncophage or any or all of our other potential products under development to be cost-effective, which could result in products not being covered under their health plans or covered only at a low price. Any of these initiatives or developments could prevent us from successfully marketing and selling any of our potential products. We are unable to predict what impact any future regulation or third-party payer initiatives relating to reimbursement for Oncophage or any of our other potential products, if any of them are approved for sale, will have on sales.

Our sales, marketing, and commercial operations experience and resources are limited and need to be developed or acquired.

We have very limited experience and resources in marketing and selling pharmaceutical products or in running commercial operations. In addition, for our patient-specific heat shock protein product candidates, we will need to develop specialized commercial operations to manage patient-specific ordering, tracking, and control. There are few companies that have developed this expertise. We must either develop commercial operations and marketing capabilities and a sales force or enter into arrangements with third parties to perform such operations and/or market and sell any of our product candidates that are approved by regulatory authorities. We do not know whether we will be able to enter into commercial operations or marketing and sales agreements with others on acceptable terms, if at all. We may not be able to successfully develop our own commercial operations capabilities or sales and marketing force for drug candidates for which we have retained or elect to retain marketing or co-promotion rights. As we develop our own commercial operations or marketing and sales capability, we may be competing with other companies that currently have experienced and well funded operations. Where we have licensed our products to third-party collaborators or licensees, we will be dependent on their commercial operations, sales and marketing expertise and resources, and any revenues we receive from those products will depend primarily on the sales and marketing efforts of others.

Product liability and other claims against us may reduce demand for our products and/or result in substantial damages.

We face an inherent risk of product liability exposure related to testing our product candidates in human clinical trials and will face even greater risks if we sell our product candidates commercially. An individual may bring a product liability claim against us if one of our product candidates causes, or merely appears to have caused, an injury. Product liability claims may result in:

- decreased demand for our product candidates;
- injury to our reputation;
- withdrawal of clinical trial volunteers;
- costs of related litigation; and
- substantial monetary awards to plaintiffs.

We manufacture Oncophage from a patient’s cancer cells, and a medical professional must inject Oncophage into the same patient from which it was manufactured. A patient may sue us if a hospital, a shipping company, or we fail to deliver the removed cancer tissue or that patient’s Oncophage. We anticipate that the logistics of shipping will become more complex if the number of patients we treat increases and it is possible that all shipments of tumor and Oncophage will not be made without incident. Additionally, complexities unique to the logistics of commercial products may delay shipments and limit our ability to move commercial product in an

efficient manner without incident. Currently, we do not have insurance that covers loss of or damage to Oncophage or tumor material, and we do not know whether insurance will be available to us at a reasonable price or at all. We have limited product liability coverage for clinical research use of product candidates. Our product liability policy provides $10.0 million aggregate coverage and $10.0 million per occurrence coverage. This limited insurance coverage may be insufficient to fully cover us for future claims.

If we do not comply with environmental laws and regulations, we may incur significant costs and potential disruption to our business.

We use hazardous, infectious, and radioactive materials, and recombinant DNA in our operations, which have the potential of being harmful to human health and safety or the environment. We store these hazardous (flammable, corrosive, toxic), infectious, and radioactive materials, and various wastes resulting from their use, at our facilities pending use and ultimate disposal. We are subject to a variety of federal, state, and local laws and regulations governing use, generation, storage, handling, and disposal of these materials. We may incur significant costs complying with both current and future environmental health and safety laws and regulations. In particular, we are subject to regulation by the Occupational Safety and Health Administration, the Environmental Protection Agency, the Drug Enforcement Agency, the Department of Transportation, the Centers for Disease Control and Prevention, the National Institutes of Health, the International Air Transportation Association, and various state and local agencies. At any time, one or more of the aforementioned agencies could adopt regulations that may affect our operations. We are also subject to regulation under the Toxic Substances Control Act and the Resource Conservation Development programs.

Although we believe that our current procedures and programs for handling, storage, and disposal of these materials comply with federal, state, and local laws and regulations, we cannot eliminate the risk of accidents involving contamination from these materials. Although we have limited pollution liability coverage ($2.0 million) and a workers' compensation liability policy, we could be held liable for resulting damages in the event of an accident or accidental release, and such damages could be substantially in excess of any available insurance coverage and could substantially disrupt our business.

Our competitors in the biotechnology and pharmaceutical industries may have superior products, manufacturing capability, and/or marketing expertise.

Our business may fail because we face intense competition from major pharmaceutical companies and specialized biotechnology companies engaged in the development of product candidates directed at cancer and infectious diseases. Several of these companies have products that utilize similar technologies and/or patient-specific medicine techniques, such as Dendreon, Nventa (formerly Stressgen), Favrille, Accentia, Genitope, and Cell Genesys. Additionally, Liponova has completed a Phase 3 trial for its Reniale cancer vaccine in Germany for non-metastatic renal cell carcinoma and is expected to start a Phase 3 trial in the U.S. in 2008, and Oxford BioMedica and its partner Sanofi-Aventis are conducting a Phase 3 trial for their Trovax cancer vaccine for metastatic renal cell carcinoma. Patents have been issued in both the U.S. and Europe related to Nventa's heat shock protein technology.

More specifically, if we receive regulatory approvals, some of our product candidates may compete with approved therapies such as interleukin-2 and interferon-alpha for renal cell carcinoma and melanoma, which have generated substantial sales over a number of years. In addition, sorafenib, sunitinib, and temsirolimus have been approved in various countries for the treatment of patients with advanced renal cell carcinoma, or kidney cancer. Worldwide regulatory filings are expected to be submitted for another drug, everolimus, for advanced renal cell carcinoma in the second half of 2008. Sorafenib and sunitinib are also being developed for non-metastatic renal cell carcinoma. Other companies' product candidates, including Wilex AG's Rencarex (WX-G250) and LipoNova's Reniale, are also being developed for non-metastatic renal cell carcinoma, including in Phase 3 clinical trials. Our product candidates, such as Aroplatin, may compete with existing approved chemotherapies or other chemotherapies that are in development by various companies, including GPC Biotech

and Poniard Pharmaceuticals. In addition, prior to regulatory approval, we may compete for access to patients with other products in clinical development, with products approved for use in the indications we are studying, or with off-label use of products in the indications we are studying. We anticipate that we will face increased competition in the future as new companies enter markets we seek to address and scientific developments surrounding immunotherapy and other traditional cancer therapies continue to accelerate.

The remaining patent life for our QS-21 proprietary adjuvant is limited. Upon patent expiry, it is possible that our competitors may develop competing or generic saponin adjuvants. In addition, new license agreements are unlikely and may be impossible. While our license and supply agreements for QS-21 provide revenues for us and would typically provide royalties for at least 10 years after commercial launch, there is no guarantee that we will be able to collect royalties in the future.

Several other vaccine adjuvants are in development and could compete with QS-21 for inclusion in vaccines in development. These adjuvants include, but are not limited to, oligonucleotides, under development by Pfizer, Idera, Juvaris, and Dynavax, anti-CTLA-4 antibody, under development by Medarex, MF59 and SAF, under development by Novartis, and MPL, under development by GlaxoSmithKline. In addition, several companies, such as CSL Limited and Galenica, are developing saponin adjuvants, including synthetic formulations.

Additionally, many of our competitors, including large pharmaceutical companies, have greater financial and human resources and more experience than we do. Our competitors may:

- commercialize their product candidates sooner than we commercialize our own;
- develop safer or more effective therapeutic drugs or preventive vaccines and other therapeutic products;
- implement more effective approaches to sales and marketing and capture some of our potential market share;
- establish superior intellectual property positions;
- discover technologies that may result in medical insights or breakthroughs, which render our drugs or vaccines obsolete, possibly before they generate any revenue; or
- adversely affect our ability to recruit patients for our clinical trials.

Risks Related to our Common Stock

Our officers and directors may be able to block proposals for a change in control.

Antigenics Holdings L.L.C. is a holding company that owns shares of our common stock, and as of January 10, 2008, Antigenics Holdings L.L.C. controlled approximately 20% of our outstanding common stock. Due to this concentration of ownership, Antigenics Holdings L.L.C. can substantially influence all matters requiring a stockholder vote, including:

- the election of directors;
- the amendment of our organizational documents; or
- the approval of a merger, sale of assets, or other major corporate transaction.

Our Chief Executive Officer directly and indirectly owns approximately 47% of Antigenics Holdings L.L.C. In addition, several of our directors and officers directly and indirectly own approximately 4.5% of our outstanding common stock.

The unaffiliated holders of certain convertible securities have the right to convert such securities into a substantial percentage of our outstanding common stock.

According to publicly filed documents, Mr. Brad M. Kelley beneficially owns 5,546,240 shares of our outstanding common stock and 31,620 shares of our series A convertible preferred stock. The shares of preferred stock are currently convertible at any time into 2,000,000 shares of common stock at an initial conversion price of $15.81, are non-voting, and carry a 2.5% annual dividend yield. If Mr. Kelley had converted all of the shares of preferred stock on January 10, 2008, he would have held approximately 13% of our outstanding common stock. We currently have a right of first refusal agreement with Mr. Kelley that provides us with limited rights to purchase certain of Mr. Kelley's shares if he proposes to sell them to a third party.

Mr. Kelley's substantial ownership position provides him with the ability to substantially influence the outcome of matters submitted to our stockholders for approval. Furthermore, collectively, Mr. Kelley and Antigenics Holdings L.L.C. control approximately 30% of our outstanding common stock as of January 10, 2008, providing substantial ability, if they vote in the same manner, to determine the outcome of matters submitted to a stockholder vote. If Mr. Kelley were to convert all of his preferred stock into common stock, the combined total would increase to 32%. Additional purchases of our common stock by Mr. Kelley also would increase both his own percentage of outstanding voting rights and the percentage combined with Antigenics Holdings L.L.C. While Mr. Kelley's shares of preferred stock do not carry voting rights, the shares of common stock issuable upon conversion carry the same voting rights as other shares of common stock.

On October 30, 2006, we issued $25.0 million of our 2006 Notes to a group of institutional investors. These 2006 Notes, together with any interest paid in the form of additional 2006 Notes, are convertible into our common stock at an initial fixed conversion price of $3.50 per share at the option of the investors. On January 10, 2008, one holder of the 2006 Notes had holdings, which if totally converted into shares of our common stock, would result in this holder owning 6,262,979 shares. If such holder had exercised such conversion right on January 10, 2008, such holder would have owned approximately 10% of our outstanding common stock. However, the holder's conversion right is limited by a 9.99% maximum percentage of ownership, in accordance with the terms of the 2006 Notes.

On September 10, 2007, we issued 10,000 shares of our new series B1 convertible preferred stock and 5,250 shares of our new series B2 convertible preferred stock to a single institutional investor. Shares of the series B1 convertible preferred stock permit the investor, within one year of the anniversary of closing, to purchase up to an additional $10.0 million of common shares at a purchase price equal to the lesser of $3.08 per share or a price calculated based on the then-prevailing price of our common stock minus $0.30 per share. Shares of the series B2 convertible preferred stock permit the investor to purchase common shares for consideration of up to 35 percent of the total dollar amount previously invested pursuant to the agreement with the investor, including conversions of the series B1 convertible preferred stock, at a purchase price equal to the lesser of $4.16 per common share or a price calculated based on the then-prevailing price of our common stock, and expire seven years from the date of issuance. The total number of shares of common stock issued or issuable to the holder of the class B convertible preferred stock cannot exceed 19.9% of our outstanding common stock.

While the 2006 Notes and the class B convertible preferred stock do not carry any voting rights, the common stock issuable upon conversions of such securities do carry the same voting rights as other shares of common stock. The ownership positions following any such conversions, along with any open market purchases by such holders, could provide the holders with the ability to substantially influence the outcome of matters submitted to our stockholders for approval.

Provisions in our organizational documents could prevent or frustrate attempts by stockholders to replace our current management.

Our certificate of incorporation and bylaws contain provisions that could make it more difficult for a third party to acquire us without consent of our Board of Directors. Our certificate of incorporation provides for a

staggered board and removal of directors only for cause. Accordingly, stockholders may elect only a minority of our board at any annual meeting, which may have the effect of delaying or preventing changes in management. In addition, under our certificate of incorporation, our Board of Directors may issue additional shares of preferred stock and determine the terms of those shares of stock without any further action by our stockholders. Our issuance of additional preferred stock could make it more difficult for a third party to acquire a majority of our outstanding voting stock and thereby effect a change in the composition of our Board of Directors. Our certificate of incorporation also provides that our stockholders may not take action by written consent. Our bylaws require advance notice of stockholder proposals and director nominations and permit only our President or a majority of the Board of Directors to call a special stockholder meeting. These provisions may have the effect of preventing or hindering attempts by our stockholders to replace our current management. In addition, Delaware law prohibits a corporation from engaging in a business combination with any holder of 15% or more of its capital stock until the holder has held the stock for three years unless, among other possibilities, the Board of Directors approves the transaction. Our Board of Directors may use this provision to prevent changes in our management. Also, under applicable Delaware law, our Board of Directors may adopt additional anti-takeover measures in the future.

Our stock has generally had low trading volume, and its public trading price has been volatile.

Between our initial public offering on February 4, 2000 and December 31, 2007, and for the year ended December 31, 2007, the closing price of our common stock has fluctuated between $1.54 and $52.63 per share and $1.57 and $4.43 per share, respectively, with an average daily trading volume for the year ended December 31, 2007 of approximately 461,000 shares. The market may experience significant price and volume fluctuations that are often unrelated to the operating performance of individual companies. In addition to general market volatility, many factors may have a significant adverse effect on the market price of our stock, including:

- continuing operating losses, which we expect over the next several years as we continue our development activities;
- announcements of decisions made by public officials;
- results of our preclinical studies and clinical trials;
- announcements of technological innovations, new commercial products, or progress toward commercialization by our competitors or peers;
- developments concerning proprietary rights, including patent and litigation matters;
- publicity regarding actual or potential results with respect to product candidates under development by us or by our competitors;
- regulatory developments; and
- quarterly fluctuations in our financial results.

The sale of a significant number of shares could cause the market price of our stock to decline.

The sale by us or the resale by stockholders of a significant number of shares of our common stock could cause the market price of our common stock to decline. As of December 31, 2007, we had approximately 47,551,000 shares of common stock outstanding. All of these shares are eligible for sale on the NASDAQ Global Market, although certain of the shares are subject to sales volume and other limitations. In addition, we have filed registration statements to permit the sale of 10,436,831 shares of common stock under our equity incentive plan and certain equity plans that we assumed in the acquisitions of Aquila Biopharmaceuticals, Inc. and Aronex Pharmaceuticals, Inc. We have also filed registration statements to permit the sale of 450,000 shares of common stock under our employee stock purchase plan, to permit the sale of 250,000 shares of common stock under our directors' deferred compensation plan, and to permit the sale of 17,417,434 shares of common stock pursuant to the Securities Purchase Agreement dated January 9, 2008. The market price of our common stock may decrease based on the expectation of such sales.

As of December 31, 2007, options to purchase 6,782,901 shares of our common stock with a weighted average exercise price per share of $5.75 were outstanding. Many of these options are subject to vesting that generally occurs over a period of up to four years following the date of grant. As of December 31, 2007, we have 440,878 nonvested shares outstanding.

Because we are a relatively small public company, we believe we have been disproportionately negatively impacted by the Sarbanes-Oxley Act of 2002 and related regulations, which have increased our costs and required additional management resources.

The Sarbanes-Oxley Act of 2002, which became law in July 2002, has required changes in some of our corporate governance, securities disclosure, and compliance practices. In response to the requirements of that Act, the SEC and the NASDAQ have promulgated new rules and listing standards covering a variety of subjects. Compliance with these new rules and listing standards significantly increased our legal, financial, and accounting costs, which we expect to increase as we expand our operations. In addition, the requirements have taxed a significant amount of management's and the Board of Directors' time and resources. Likewise, these developments have made it more difficult for us to attract and retain qualified members of our Board of Directors, particularly independent directors, or qualified executive officers. Because we are a relatively small public company, we believe we have been disproportionately negatively impacted by these changes in securities laws and regulations, which have increased our costs and required additional management resources.

Our internal control over financial reporting (as defined in Rules 13a-15 of the Securities Exchange Act) is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all deficiencies or weaknesses in our financial reporting. While our management has concluded that there were no material weaknesses in our internal control over financial reporting as of December 31, 2007, our procedures are subject to the risk that our controls may become inadequate because of changes in conditions or as a result of a deterioration in compliance with such procedures. No assurance is given that our procedures and processes for detecting weaknesses in our internal control over financial reporting will be effective.

Item 1B. *Unresolved Staff Comments*

We have received no written comments from the staff of the SEC regarding our periodic or current reports that (1) we believe are material, (2) were issued not less than 180 days before the end of our 2007 fiscal year, and (3) remain unresolved.

Item 2. *Properties*

We lease a 162,000 square foot facility in Lexington, Massachusetts, under a lease agreement that terminates in August 2013. We have an option to renew this lease for two additional ten-year periods. We began occupying approximately 94,000 square feet of this facility beginning in October 2003. Based on the terms of our lease agreement, our space increased to 132,000 square feet in August 2005 with a second expansion to 162,000 square feet in September 2006.

We also lease approximately 40,000 square feet of laboratory, office, and manufacturing space in Framingham, Massachusetts under a lease agreement that terminates in September 2010. We have an option to renew the lease for two additional five-year periods. We have sublet this entire facility.

We maintain our corporate offices in New York, New York, in an office building in which we lease approximately 5,400 square feet. Our New York lease terminates in April 2012.

In addition, on December 15, 2006, we terminated our lease for approximately 30,000 square feet of laboratory and office space in The Woodlands, Texas, a suburb of Houston. We were not actively using this facility.

The Company believes substantially all of its property and equipment is in good condition and that it has sufficient capacity to meet its current operational needs. We do not anticipate experiencing significant difficulty in retaining occupancy of any of our manufacturing or office facilities and will do so through lease renewals prior to expiration or through replacing them with equivalent facilities.

Item 3. ***Legal Proceedings***

Antigenics, our Chairman and Chief Executive Officer, Garo H. Armen, Ph.D., and two investment banking firms that served as underwriters in our initial public offering have been named as defendants in a civil class action lawsuit filed on November 5, 2001 in the Federal District Court for the Southern District of New York on behalf of a class of purchasers of our stock between February 3, 2000 and December 6, 2000. Similar complaints were filed against about 300 other issuers, their underwriters, and in many instances their directors and officers. These cases have been coordinated under the caption *In re Initial Public Offering Securities Litigation*, Civ. No. 21 MC 92 (SAS), by order dated August 9, 2001. The suit against Antigenics and Dr. Armen alleges that the brokerage arms of the investment banking firms charged secret excessive commissions to certain of their customers in return for allocations of our stock in the offering. The suit also alleges that shares of our stock were allocated to certain of the investment banking firms' customers based upon agreements by such customers to purchase additional shares of our stock in the secondary market. The complaint alleges that Antigenics is liable under Section 11 of the Securities Act of 1933, as amended (the "Securities Act"), and Dr. Armen is liable under Sections 11 and 15 of the Securities Act because our registration statement did not disclose these alleged practices. On April 19, 2002, the plaintiffs in this action filed an amended class action complaint, which contains new allegations. Again, similar amended complaints were filed with respect to the other companies. In addition to the claims in the earlier complaint, the amended complaint alleges that Antigenics and Dr. Armen violated Sections 10(b) and 20 of the Securities Exchange Act and SEC Rule 10b-5 by making false and misleading statements and/or omissions in order to inflate our stock price and conceal the investment banking firms' alleged secret arrangements. The claims against Dr. Armen, in his individual capacity, have been dismissed without prejudice. On July 15, 2002, Antigenics and Dr. Armen joined the Issuer Defendants' Motion to Dismiss the Consolidated Amended Complaints. By order of the court, this motion set forth all "common issues" (i.e., all grounds for dismissal common to all or a significant number of Issuer Defendants). The hearing on the Issuer Defendants' Motion to Dismiss and the other Defendants' motions to dismiss was held on November 1, 2002. On February 19, 2003, the court issued its opinion and order on the Issuer Defendants' Motion to Dismiss. The court granted Antigenics' motion to dismiss the Rule 10b-5 and Section 20 claims with leave to amend and denied our motion to dismiss the Section 11 and Section 15 claims. On June 14, 2004, papers formalizing a proposed settlement among the plaintiffs, Issuer Defendants, and insurers were presented to the Federal District Court for the Southern District of New York. On February 15, 2005, the court granted preliminary approval of the settlement. On August 31, 2005, the court issued an order confirming preliminary approval of the settlement. The settlement remained subject to a number of conditions, including final court approval. In December 2006, the appellate court overturned the certification of classes in the six test cases that were selected by the underwriter defendants and plaintiffs in the coordinated proceedings. Class certification was one of the conditions of the settlement. Accordingly, on June 25, 2007, the court entered an order terminating the proposed settlement based on a stipulation among the parties to the settlement. It is uncertain whether there will be any revised or future settlement. To date, the plaintiffs have not asserted a specific amount of damages and, at this time, we cannot make a reliable estimate of possible loss, if any, related to this litigation. Accordingly, no accrual has been recorded at December 31, 2007.

On October 12, 2005, a third party filed a notice of opposition in the European Patent Office to European patent EP 0750513 B1 which has claims relating to AG-702/707 and to which we hold the exclusive license. On January 21, 2008, the opposition division of the European Patent Office issued its decision revoking the patent. This decision may be appealed by March 21, 2008. For strategic reasons, we have decided not to appeal this decision.

We currently are a party, or may become a party, to other legal proceedings as well. While we currently believe that the ultimate outcome of any of these proceedings will not have a material adverse effect on our

financial position, results of operations, or liquidity, litigation is subject to inherent uncertainty. Furthermore, litigation consumes both cash and management attention.

Item 4. ***Submission of Matters to a Vote of Security Holders***

No matters were submitted to stockholders for a vote during the fourth quarter of 2007.

Executive Officers of the Registrant

Set forth below is certain information regarding our current and certain former executive officers, including their age, as of March 1, 2008:

Name	Age	Title
Garo H. Armen, Ph.D.	55	Chairman of the Board and Chief Executive Officer
Shalini Sharp	33	Vice President and Chief Financial Officer
Christine M. Klaskin	42	Vice President, Finance and Principal Accounting Officer
Kerry A. Wentworth	35	Vice President, Regulatory Affairs & Clinical Operations
Roman M. Chicz, Ph.D.	45	Former Senior Vice President, Research and Development

GARO H. ARMEN, PH.D. is Chairman and Chief Executive Officer of Antigenics, the biotechnology company he co-founded with Pramod Srivastava in 1994. From mid-2002 through 2004, he was Chairman of the Board of Directors for the biopharmaceutical company Elan Corporation, plc. Dr. Armen is also the founder and President of the Children of Armenia Fund (COAF), a charitable organization established in 2000 that is dedicated to the positive development of the children and youth of Armenia.

SHALINI SHARP joined Antigenics in 2003, and managed strategic planning, investor relations, and financing and acquisition transactions. Prior to this, she was Director of Strategic Planning at Elan Corporation, plc, where she served as Chief of Staff to the Chairman of the Board during the restructuring process and drove to completion a number of strategic corporate and financial transactions. Ms. Sharp was previously a management consultant at McKinsey & Company, specializing in the pharmaceutical and medical device industries. She has also worked in investment banking at Goldman, Sachs & Company, primarily in the health care field. Ms. Sharp received both her bachelor's degree and MBA from Harvard University.

CHRISTINE M. KLASKIN joined Antigenics in 1996 as finance manager and has held various positions within the finance department. Prior to Antigenics, she was at Arthur Andersen from 1987, most recently as an audit manager. A certified public accountant, Ms. Klaskin received her Bachelor of Accountancy from The George Washington University.

KERRY A. WENTWORTH joined Antigenics in 2005 and previously served as Senior Director of Regulatory Affairs at Genelabs Technologies, where she was responsible for regulatory and quality functions. There, she focused on late-stage clinical development and subsequent U.S. and European commercial application filings for the company's lead product Prestara™, a treatment for systemic lupus erythrematosus. Prior to Genelabs, Ms. Wentworth held various positions in regulatory affairs at Shaman Pharmaceuticals and at Genzyme Corporation. With more than 12 years of regulatory experience, Ms. Wentworth has considerable expertise in the development, global licensing, and post-marketing activities associated with drug and biological products. Ms. Wentworth received a bachelor's degree in pre-veterinary medicine from the University of New Hampshire.

ROMAN M. CHICZ, PH.D. was our Senior Vice President, Research and Development from 2004 to mid 2007. Prior to joining Antigenics, Dr. Chicz was a co-founder and Vice President of Discovery Research at ZYCOS Inc. from its inception in 1996 until its acquisition in 2004. During his tenure at ZYCOS, Dr. Chicz was responsible for the identification and validation of novel anti-viral and oncology drugs, product development support, and management of the Aventis Pasteur oncology alliance. He also played a key role in business development and private financing of the company. Prior to ZYCOS, Dr. Chicz served as a principal scientist and postdoctoral fellow at Harvard University. Dr. Chicz received his bachelor's degree in chemistry from Occidental College and his doctorate in biochemistry from Purdue University.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock trades on the NASDAQ Global Market under the symbol "AGEN".

The following table sets forth, for the periods indicated, the high and low sale prices per share of our common stock as reported on the NASDAQ Global Market.

	High	Low
2006		
First Quarter	$ 7.22	$ 2.50
Second Quarter	2.83	1.67
Third Quarter	2.20	1.38
Fourth Quarter	2.57	1.53
2007		
First Quarter	2.32	1.54
Second Quarter	5.42	2.22
Third Quarter	3.21	2.15
Fourth Quarter	3.45	1.95

As of March 1, 2008, there were approximately 1,950 holders of record and approximately 16,900 beneficial holders of our common stock.

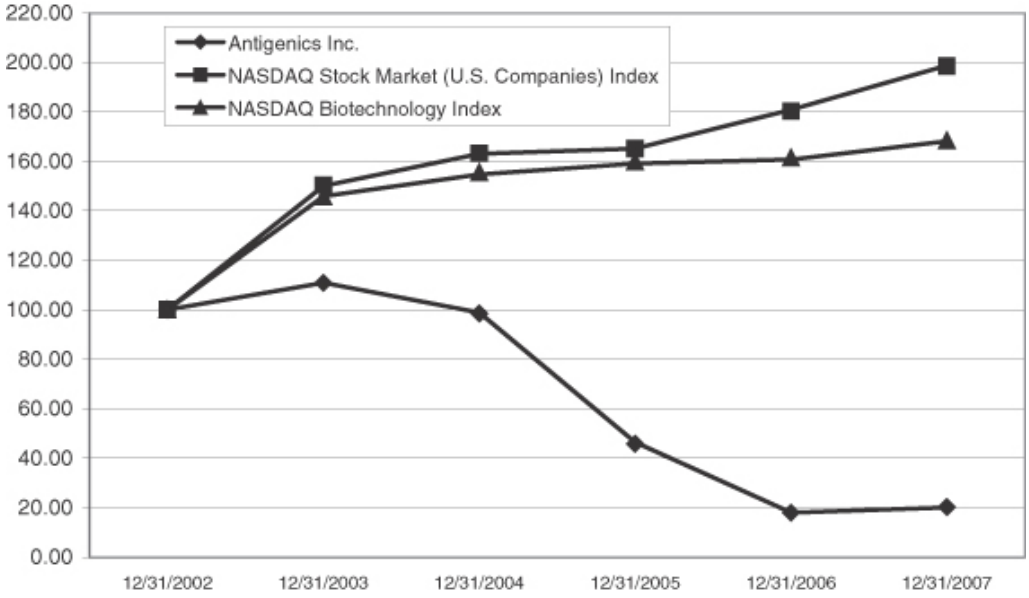
We have never paid cash dividends on our common stock, and we do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain future earnings, if any, for the future operation and expansion of our business. Any future payment of dividends on our common stock will be at the discretion of our Board of Directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness and other factors that our Board of Directors deems relevant.

Stock Performance

The following graph shows the cumulative total stockholder return on our common stock over the period from December 31, 2002 to December 31, 2007, as compared with that of the NASDAQ Stock Market (U.S. Companies) Index and the NASDAQ Biotechnology Index, based on an initial investment of $100 in each on December 31, 2002. Total stockholder return is measured by dividing share price change plus dividends, if any, for each period by the share price at the beginning of the respective period, and assumes reinvestment of dividends.

This stock performance graph shall not be deemed "filed" with the SEC or subject to Section 18 of the Securities Exchange Act, nor shall it be deemed incorporated by reference in any of our filings under the Securities Act.

**COMPARISON OF CUMULATIVE TOTAL RETURN OF ANTIGENICS INC.,
NASDAQ STOCK MARKET (U.S. COMPANIES) INDEX
AND NASDAQ BIOTECHNOLOGY INDEX**



	12/31/02	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07
Antigenics Inc.	100.00	110.74	98.83	46.48	17.87	19.92
NASDAQ Stock Market (U.S.)	100.00	150.01	162.89	165.13	180.85	198.60
NASDAQ Biotechnology Index	100.00	145.75	154.68	159.06	160.69	168.05

Item 6. ***Selected Financial Data***

We have derived the consolidated balance sheet data set forth below as of December 31, 2007 and 2006, and the consolidated statement of operations data for each of the years in the three-year period ended December 31, 2007, from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

You should read the selected consolidated financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," our consolidated financial statements, and the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Given our history of incurring operating losses, management believes that it is more likely than not that any deferred tax assets will not be realized through future earnings. Therefore, no income tax benefit has been recognized in the consolidated statements of operations because of the loss before income taxes, and the need to recognize a valuation allowance on the portion of our deferred tax assets, which will not be offset by the reversal of deferred tax liabilities (see (3) below).

Changes in cash, cash equivalents, and short-term investments, total current assets, total assets, and stockholders' (deficit) equity in the periods presented below include the effects of the receipt of net proceeds from our debt offerings, equity offerings, the exercise of stock options and warrants, and employee stock purchases that totaled approximately $4.6 million, $25.4 million, $48.3 million, $54.6 million, and $92.5 million in 2007, 2006, 2005, 2004, and 2003, respectively. In addition, in January 2008, we completed a private placement of shares of our common stock and warrants, raising net proceeds of $25.8 million, after deducting offering costs of $296,000.

	For the Year Ended December 31,				
	2007	2006	2005	2004	2003
	(In thousands, except per share data)				
Consolidated Statement of Operations Data:					
Revenue	$ 5,552	$ 692	$ 630	$ 707	$ 985
Operating Expenses:					
Cost of sales	—	—	—	(5)	—
Research and development	(21,789)	(28,643)	(47,080)	(41,718)	(46,264)
General and administrative	(17,041)	(21,288)	(25,868)	(25,784)	(21,682)
Acquired in-process research and development (1)	—	—	—	(2,888)	—
Restructuring costs	—	(1,374)	(1,596)	—	—
Loss from operations	(33,278)	(50,613)	(73,914)	(69,688)	(66,961)
Non-operating income	1	141	1	8	—
Interest (expense) income, net	(3,518)	(1,409)	(191)	929	919
Loss from continuing operations	(36,795)	(51,881)	(74,104)	(68,751)	(66,042)
Income from discontinued operations (2)	—	—	—	12,589	108
Net loss (3)	(36,795)	(51,881)	(74,104)	(56,162)	(65,934)
Dividends on series A convertible preferred stock	(790)	(790)	(790)	(790)	(224)
Net loss attributable to common stockholders	$(37,585)	$(52,671)	$(74,894)	$(56,952)	$(66,158)
Loss from continuing operations per common share, basic and diluted	$ (0.81)	$ (1.15)	$ (1.64)	$ (1.56)	$ (1.70)
Income from discontinued operations per common share, basic and diluted	$ —	$ —	$ —	$ 0.28	$ —
Net loss attributable to common stockholders per common share, basic and diluted	$ (0.81)	$ (1.15)	$ (1.64)	$ (1.27)	$ (1.70)
Weighted average number of shares outstanding, basic and diluted	46,512	45,809	45,577	44,685	38,989

	December 31,				
	2007	2006	2005	2004	2003
			(In thousands)		
Consolidated Balance Sheet Data:					
Cash, cash equivalents, and short-term investments	$ 18,679	$ 40,095	$ 61,748	$ 86,921	$ 87,978
Total current assets	20,782	42,298	66,962	92,604	91,821
Total assets	44,537	72,952	104,151	133,058	140,080
Total current liabilities	8,383	9,078	19,145	19,204	22,105
Long-term debt, less current portion	77,401	75,333	50,044	4,512	10,245
Stockholders' (deficit) equity	(47,060)	(17,393)	31,899	106,443	105,246

(1) We recorded a charge to operations for the write-off of in-process research and development acquired with the purchase of intellectual property from Mojave Therapeutics Inc. in July 2004.

(2) In March 2004, we sold our manufacturing rights and related assets for a feline leukemia virus (FeLV) vaccine to Virbac S.A. The results of operations of the FeLV activity has been treated as discontinued operations for all periods presented.

(3) Given our history of incurring operating losses, no income tax benefit has been recognized in our consolidated statements of operations because of the loss before income taxes, and the need to recognize a valuation allowance on the portion of our deferred tax assets, which will not be offset by the reversal of deferred tax liabilities.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

OVERVIEW

We are currently researching and/or developing technologies and product candidates to treat cancers and infectious diseases. Since our inception in March 1994, our activities have primarily been associated with the development of our heat shock protein technology and our most advanced product candidate, Oncophage® (vitespen), a patient-specific therapeutic cancer vaccine. Our business activities have included product research and development, intellectual property prosecution, manufacturing therapeutic vaccines for clinical trials, regulatory and clinical affairs, corporate finance and development activities, marketing, and integration of our acquisitions.

We have incurred significant losses since our inception. As of December 31, 2007, we had an accumulated deficit of $498.6 million. Since our inception, we have financed our operations primarily through the sale of equity and convertible notes, interest income earned on cash, cash equivalents, and short-term investment balances, and debt provided through secured lines of credit. We believe, based on our current plans and activities, that our working capital resources at December 31, 2007, along with the proceeds from our financing completed in January 2008, and the estimated proceeds from our license, supply, and collaborative agreements, will be sufficient to satisfy our liquidity requirements into 2009. In addition, we expect to attempt to raise additional funds in advance of depleting our current funds. Satisfying long-term liquidity needs may require the successful commercialization of product candidates and will require additional capital.

Guidance received from past discussions with the FDA indicates that further clinical studies must be conducted to demonstrate to them the efficacy and safety of Oncophage. At the appropriate time, we intend to seek a meeting with the FDA to discuss the results of the updated analyses utilizing data through March 2007 to determine whether there is an opportunity to file a biologics license application ("BLA") on the basis of these results with appropriate commitments to conduct further clinical investigations to support the efficacy of Oncophage in renal cell carcinoma. Because evidence of clinically significant improvement has been observed in a subgroup analysis and was not demonstrated in the pre-specified analysis of the primary and secondary endpoints of the Phase 3 study of Oncophage in renal cell carcinoma, this trial is likely not sufficient to support a BLA for product approval, based on existing standards. Furthermore, this trial may not be sufficient to support approval outside of the U.S.

We are exploring the steps necessary to seek approval of Oncophage in ex-U.S. commercial markets and/or in named patient programs. In conjunction with this process, on June 25, 2007, we completed the submission of an application for marketing authorization with the Russian Ministry of Public Health for the use of Oncophage in the treatment of kidney cancer patients at intermediate risk for disease recurrence. Until we receive an official decision from the Russian Ministry of Public Health, we cannot be certain of the outcome.

On July 6, 2006, we entered into an expanded license agreement (the "GSK license agreement") and an expanded Manufacturing Technology Transfer and Supply Agreement (the "GSK supply agreement") with GlaxoSmithKline Biologicals SA ("GSK") for the use of QS-21, an investigational adjuvant used in numerous vaccines under development. QS-21 is a component included in several adjuvant systems. Under the terms of the agreements, we agreed to supply QS-21 to GSK through 2014 and to transfer manufacturing technologies under the GSK supply agreement. In conjunction with the GSK license agreement and the GSK supply agreement, we received a $3.0 million up-front non-refundable payment in July 2006. In February 2007, we achieved a milestone related to the transfer of manufacturing technologies to GSK and received a payment of $2.0 million. We are entitled to receive royalties on net sales for a period of at least 10 years after the first commercial sale under the GSK supply agreement.

On July 20, 2007, we executed a binding letter of intent with GSK amending the GSK supply agreement to accelerate GSK's commercial grade QS-21 manufacturing rights previously granted in July 2006. Accordingly, from the effective date of the letter, GSK has the right to manufacture all of its requirements of commercial grade

QS-21. In addition, the parties have amended their purchase and supply obligations with respect to pre-commercial grade QS-21. In accordance with the terms of the letter, upon our election, GSK is obligated to supply us (or our affiliates, licensees, or customers) certain quantities of commercial grade QS-21 for a stated period of time. As consideration for our entering into the letter, we received a $2.0 million up-front non-refundable payment from GSK in August 2007, in lieu of a milestone payment that would have otherwise been payable under the GSK supply agreement. In addition, GSK is obligated to make payments to us totaling $5.25 million through December 2012, for manufacturing profits that were anticipated to have otherwise been payable under the GSK supply agreement. Except as expressly provided in the letter, all other financial obligations of GSK under the GSK supply agreement, including royalty payments, remain unchanged. The letter does not affect the rights and obligations of the parties under the July 6, 2006 GSK license agreement.

On September 10, 2007, we issued 1,623,377 shares of our common stock at a price of $3.08 per share to a single institutional investor. Net proceeds, after deducting offering expenses paid by us of $259,000, were $4.7 million. In conjunction with this transaction, we also issued to the investor 10,000 shares of our new series B1 convertible preferred stock and 5,250 shares of our new series B2 convertible preferred stock (collectively, our “class B convertible preferred stock”). Shares of the series B1 convertible preferred stock permit the investor, within one year of the anniversary of closing, to purchase up to an additional $10.0 million of common shares at a purchase price equal to the lesser of $3.08 per share or a price calculated based on the then-prevailing price of our common stock minus $0.30 per share. Shares of the series B2 convertible preferred stock permit the investor to purchase common shares for consideration of up to 35 percent of the total dollar amount previously invested pursuant to the agreement with the investor, including conversions of the series B1 convertible preferred stock, at a purchase price equal to the lesser of $4.16 per common share or a price calculated based on the then-prevailing price of our common stock, and such right expires seven years from the date of issuance. The total number of shares of common stock issued or issuable to the holder of the class B convertible preferred stock cannot exceed 19.9% of our outstanding common stock. No dividends are paid on the class B convertible preferred stock and there are no liquidation preferences.

On January 9, 2008, we entered into a private placement agreement that included (i) 8,708,717 shares of common stock, (ii) warrants to acquire up to 8,708,717 shares of common stock at $3.00 per share, and (iii) unit warrants, which, if exercisable due to a Triggering Event as that term is defined in the applicable warrant, permit a holder to acquire up to 8,708,717 shares of common stock at $3.00 per share and warrants to acquire up to an additional 8,708,717 shares of common stock at $3.00 per share. We raised net proceeds in the private placement of $25.8 million, after deducting offering costs of $296,000.

Historical Results of Operations

Year Ended December 31, 2007 Compared To The Year Ended December 31, 2006

Revenue: We generated revenue of $5.6 million and $692,000 during the years ended December 31, 2007 and 2006, respectively. Revenue includes revenue earned on shipments of QS-21 to our QS-21 licensees, license fees and royalties earned, and in 2007, milestones achieved. In 2007, we recognized $1.0 million of revenue from shipments of QS-21, $2.0 million of revenue related to a milestone payment received from GSK in February 2007 for the transfer of manufacturing technologies to GSK, and recorded $788,000 from the amortization of deferred revenue related to other payments received from GSK. In addition, in June 2007, we earned revenue of $1.0 million related to a milestone payment received from Elan Corporation, plc, which has initiated a Phase 2 study of their Alzheimer’s disease product candidate that contains QS-21, through its affiliate Elan Pharmaceuticals International Limited. Revenue earned on shipments of QS-21 was $451,000 in 2006.

Research and Development: Research and development expenses include the costs associated with our internal research and development activities, including compensation and benefits, occupancy costs, clinical manufacturing costs, administrative costs, and research and development conducted for us by outside advisors, such as sponsored university-based research partners, and services provided by clinical research organizations. Research and development expense decreased 24% to $21.8 million for the year ended December 31, 2007 from

$28.6 million for the year ended December 31, 2006. The decrease was partially due to a $2.2 million reduction in payroll and personnel-related expenses due to the workforce reduction in April 2006 and subsequent attrition. There was an additional decrease of $2.8 million in our clinical trial-related expenses due to our restructuring plan and the temporary discontinuance and/or conclusion of late-stage clinical programs. Other expenses decreased $2.8 million due to fewer ongoing projects and cost containment efforts. These reductions were partially offset by an increase in non-cash, stock-based compensation expense of $966,000.

General and Administrative: General and administrative expenses consist primarily of personnel costs, facility expenses, and professional fees. General and administrative expenses decreased 20% to $17.0 million for the year ended December 31, 2007 from $21.3 million for the year ended December 31, 2006. This decrease is a reflection of our cost-cutting efforts. Specific cost reductions included a $1.5 million reduction in payroll and personnel-related expenses due mainly to the workforce reduction April 2006, as well as reductions in professional fees of $686,000. In addition, in 2006 we recorded an other than temporary decline in the value of our investment in Applied Genomic Technology Capital Fund ("AGTC"), a limited partnership, of $806,000 as a result of our formal plan to sell our limited partner interest. Non-cash, stock-based compensation expense also decreased $947,000 in 2007.

Restructuring Costs: In April 2006, we commenced the implementation of a plan to expand our restructuring activities that began in 2005 by refocusing our programs and priorities with the goal of reducing our net cash burn (cash used in operating activities plus capital expenditures, debt repayments, and dividend payments) and eliminated 42 positions. We recorded total restructuring charges of $757,000 for the year ended December 31, 2006. During 2006, we also wrote-off certain assets that were determined to not be required for our updated business strategy. This resulted in impairment charges of $617,000.

Non-operating Income: Non-operating income of $141,000 for the year ended December 31, 2006 represented a lease termination fee received from one of our sublessees and proceeds from the sale of certain assets.

Interest Expense: Interest expense increased to $5.0 million for the year ended December 31, 2007 from $3.3 million for the year ended December 31, 2006. This increase relates primarily to interest on our 8% senior secured convertible notes (the "2006 Notes") due 2011 that were issued on October 30, 2006. Through December 31, 2007, interest on the 2006 Notes has been paid in the form of additional senior secured convertible notes, in accordance with the terms of the applicable agreement.

Interest Income: Interest income decreased 22% to $1.5 million for the year ended December 31, 2007 from $1.9 million for the year ended December 31, 2006. This decrease is primarily attributable to a decrease in cash, cash equivalents, and short-term investments, partially offset by a rise in interest rates earned on our cash, cash equivalents, and short-term investments. Our average interest rate earned increased from 4.6% for the year ended December 31, 2006 to 5.3% for the year ended December 31, 2007.

Year Ended December 31, 2006 Compared To The Year Ended December 31, 2005

Revenue: We generated $692,000 and $630,000 of research and development revenue during the years ended December 31, 2006 and 2005, respectively. Revenues from research and development activities include revenues earned on shipments of QS-21 to our QS-21 licensees, license fees earned, and in 2006, royalties earned.

Research and Development: Research and development expenses include the costs associated with our internal research and development activities, including compensation and benefits, occupancy costs, clinical manufacturing costs, administrative costs, and research and development conducted for us by outside advisors, such as sponsored university-based research partners, and services provided by clinical research organizations. Research and development expenses decreased 39% to $28.6 million for the year ended December 31, 2006 from

$47.1 million for the year ended December 31, 2005. The decrease was partially due to a $9.4 million reduction in payroll and personnel-related expenses attributable to workforce reductions in June and December 2005 and in April 2006. There was an additional decrease of $6.3 million in our clinical trial-related expenses due to our restructuring plan and the temporary discontinuance and/or conclusion of late-stage clinical programs. Other expenses decreased $2.8 million due to fewer ongoing projects and cost containment efforts.

General and Administrative: General and administrative expenses consist primarily of personnel costs, facility expenses, and professional fees. In addition, in 2006 general and administrative expenses included an $806,000 impairment charge for an other than temporary decline in the value of our investment in AGTC. General and administrative expenses decreased 18% to $21.3 million for the year ended December 31, 2006 from $25.9 million for the year ended December 31, 2005. This decrease was a reflection of our cost-cutting efforts. Specific cost reductions included a $4.2 million reduction in payroll and personnel-related expenses due mainly to the workforce reductions in June and December 2005 and in April 2006, as well as a reduction in professional fees of $3.5 million. These reductions were partially offset by an increase in non-cash, stock-based compensation expense of $3.1 million primarily due to the adoption of Statement of Financial Accounting Standards ("SFAS") No. 123R, *Share-Based Payment* ("SFAS No. 123R") as of January 1, 2006.

Restructuring Costs: In June 2005, we took steps to improve our operating efficiency through the prioritization of our development portfolio and a streamlining of our infrastructure. These steps resulted in the recording of restructuring charges of $606,000. In December 2005, we further updated our business strategy and refocused our programs and priorities, including the postponement and deceleration of a number of our projects. These actions resulted in additional charges of $990,000 being recorded in December 2005 and $112,000 being recorded during the quarter ended March 31, 2006. In April 2006, we commenced the implementation of a plan to further restructure, refocusing our programs and priorities with the goal of reducing our net cash burn (cash used in operating activities plus capital expenditures, debt repayments, and dividend payments). We recorded charges of $645,000 at that time, resulting in total charges of $757,000 for the year ended December 31, 2006. These actions resulted in a combined total headcount reduction of 133 positions.

A summary of restructuring costs is as follows (in thousands).

Year Ended December 31, 2006:	Liability at December 31, 2005	Charge to Operations	Amount Paid	Liability at December 31, 2006
Severance and payroll taxes	$ 832	$ 649	$(1,481)	$ —
Outplacement	89	39	(128)	—
Other	33	69	(102)	—
Total	$ 954	$ 757	$(1,711)	$ —

During 2006, we also wrote-off certain assets that were determined to not be required for our updated business strategy. This resulted in impairment charges of $617,000.

Non-operating Income: Non-operating income of $141,000 for the year ended December 31, 2006 represented a lease termination fee received from one of our sublessees and proceeds from the sale of certain assets.

Interest Expense: Interest expense increased to $3.3 million for the year ended December 31, 2006 from $3.0 million for the year ended December 31, 2005. This increase related primarily to interest on our 2006 Notes, which were issued on October 30, 2006.

Interest Income: Interest income decreased 32% to $1.9 million for the year ended December 31, 2006 from $2.8 million for the year ended December 31, 2005. This decrease was primarily attributable to a decrease in cash, cash equivalents, and short-term investments, partially offset by a rise in interest rates earned on our cash,

cash equivalents, and short-term investments. Our average interest rate earned increased from 2.9% for the year ended December 31, 2005 to 4.6% for the year ended December 31, 2006.

Research and Development Programs

Prior to 2002, we did not track costs on a per project basis, and therefore have estimated the allocation of our total research and development costs to our largest research and development programs. During 2007, these research and development programs consisted largely of Oncophage, AG-707, Aroplatin, and QS-21, as indicated in the following table (in thousands).

Research and Development Program	Product	Year Ended December 31, 2007	2006	2005	Prior to 2005	Total
Heat shock proteins for cancer	Oncophage & AG-858	$ 13,970	$ 19,985	$ 37,836	$ 166,635	$ 238,426
Heat shock proteins for infectious diseases	AG-702/707	2,005	1,939	3,001	9,126	16,071
Liposomal cancer treatments*	Aroplatin	3,005	2,475	3,214	5,878	14,572
Vaccine adjuvant**	QS-21	2,064	2,492	325	4,619	9,500
Other research and development programs		745	1,752	2,704	11,922	17,123
Total research and development expenses		$ 21,789	$ 28,643	$ 47,080	$ 198,180	$ 295,692

* Prior to 2001, costs were incurred by Aronex Pharmaceuticals, Inc., a company we acquired in July 2001.

** Prior to 2000, costs were incurred by Aquila Biopharmaceuticals, Inc., a company we acquired in November 2000.

Research and development program costs include compensation and other direct costs plus an allocation of indirect costs, based on certain assumptions and our review of the status of each program. Our product candidates are in various stages of development as described below. Significant additional expenditures will be required if we start new trials, encounter delays in our trials, apply for regulatory approvals, continue development of our technologies, expand our operations, and bring our product candidates to market. The eventual total cost of each clinical trial is dependent on a number of uncertainties such as trial design, length of the trial, number of clinical sites, and number of patients. The process of obtaining and maintaining regulatory approvals for new therapeutic products is lengthy, expensive, and uncertain. Because the development of our most advanced product candidate, Oncophage, is subject to further evaluation and uncertainty, and because AG-707 and Aroplatin are in early-stage clinical development, we are unable to reliably estimate the cost of completing our research and development programs, the timing of bringing such programs to market, and, therefore, when, if ever, material cash inflows are likely to commence. Our collaborations involving QS-21 depend on our collaborative partners or licensees successfully completing clinical trials, our, or our collaborative partners or licensees, successfully supplying QS-21 to meet demand, and our collaborative partners or licensees obtaining regulatory approvals and successfully commercializing product candidates containing QS-21.

Product Development Portfolio

Oncophage

We started enrolling patients in our first clinical trial studying Oncophage in November 1997. To date, we have treated over 750 cancer patients with Oncophage in our clinical trials. Because Oncophage is a novel therapeutic cancer vaccine that is patient-specific, meaning it is derived from the patient's own tumor, it may experience a long regulatory review process and high development costs, either of which could delay or prevent our commercialization efforts. For additional information regarding regulatory risks and uncertainties, please read the risks identified under Item 1A. "Risk Factors" of this Annual Report on Form 10-K.

On March 24, 2006, we announced top-line results from part I of our Phase 3 study of Oncophage in renal cell carcinoma patients who are at high risk of recurrence after surgery, and disclosed that the trial did not meet its primary endpoint. We also announced the termination of part II of the trial. The analysis was triggered based on the number of events (defined as recurrence of disease or death of a patient prior to recurrence) reported by study investigators. However, an independent review by the trial's Clinical Events Committee revealed that substantially fewer events had actually occurred. The analysis showed a trend in favor of Oncophage for recurrence-free survival ("RFS", the study's primary endpoint), and a trend against Oncophage for OS (a secondary endpoint); however neither finding was statistically significant. The analysis of the OS endpoint was considered an interim assessment. It was unclear why opposing trends were observed between RFS and OS at that time. Importantly, there was no readily apparent adverse safety signal associated with the vaccine that we believe contributed to this finding.

We conducted an in-depth analysis of data from part I of our Phase 3 study of Oncophage in renal cell carcinoma during April and May 2006 and discussed the results with the FDA and a panel of experts in this medical field. On June 7, 2006, we announced the findings of the analysis. With regard to the primary endpoint, RFS**,** the analysis showed that there was no statistically significant difference between the two arms in the intent-to-treat population of 728 patients**.** However, analysis of RFS in a subgroup of better-prognosis patients randomized in the trial who were at intermediate risk of recurrence showed significant improvement (nominal, two-sided *P* value of 0.018 and hazard ratio of 0.567) in favor of the Oncophage arm. The subgroup consisted of 361 patients, or 60% of the 604 patients in the full analysis set ("FAS") population. As defined by FDA-issued guidance, the FAS is the set of subjects that is as close as possible to the ideal implied by the intention-to-treat principle. It is derived from the set of all randomized subjects by minimal and justified elimination of subjects. In this case, patients with baseline disease, who were not eligible for the trial per protocol, were excluded from the FAS population. In this 361-patient subgroup, patients receiving Oncophage had a 44% decreased risk of recurrence compared with patients in the observation arm.

We continued to collect data per the protocol through March 2007, and on May 21, 2007 we announced additional follow-up data. The end-of-study results, which reflected an additional 17 months' data collection, showed that in the intent-to-treat population, no statistically significant difference was found between the two arms. In the subset of better-prognosis patients (n = 362) at intermediate risk for disease recurrence, patients in the Oncophage arm continued to demonstrate significant improvement in RFS of approximately 45 percent (*P* value of less than 0.01 and hazard ratio of 0.55). In addition, updated analysis in this group of intermediate risk patients revealed a trend toward improved OS, the study's secondary endpoint. The positive OS trend observed appeared to correlate with the RFS improvement demonstrated in previous analyses. The results announced in June 2006 reported that a total of 361 patients in the subgroup were defined as having intermediate risk for recurrence of disease. In subsequent follow-up, one patient was recategorized, resulting in an increase in the total number of patients from 361 to 362 in the later analysis.

The Eastern Cooperative Oncology Group is currently sponsoring a large adjuvant renal cell carcinoma trial that stratifies patients by certain prognostic risk factors for recurrence, and puts patients into intermediate risk, high risk, and very high risk categories. We are able to apply these definitions to the data generated as part of our Phase 3 trial of Oncophage in renal cell carcinoma and it is in the intermediate risk, or better prognosis population, where significant improvement over observations is demonstrated.

We continue to analyze the data collected to date, and we have opened a subsequent protocol that will continue to follow patients in the format of a registry in order to collect OS information, as well as investigator reports of disease recurrence. The registry, which is expected to provide additional data on the effectiveness of Oncophage, will follow patients for an additional three years from closure of the initial trial, providing more than five years of data collection following the enrollment of the last patient in the trial. In addition to the patient registry, we intend to initiate a small study in non-metastatic renal cell carcinoma that measures immunological data in the intermediate-risk patient population. This continued data collection and our ongoing analysis is uncertain, and may negatively affect or not affect the acceptability of the overall results of the trial, and even if

clinically meaningful, may not meet the requirements of the FDA or other regulatory authorities for submission and approval of a marketing application or similar ex-U.S. applications for product approval.

Guidance received from past discussions with the FDA indicates that further clinical studies must be conducted to demonstrate to them the efficacy and safety of Oncophage. At the appropriate time, we intend to seek a meeting with the FDA to discuss the results of the updated analyses utilizing data through March 2007 to determine whether there is an opportunity to file a BLA on the basis of these results with appropriate commitments to conduct further clinical investigations to support the efficacy of Oncophage in renal cell carcinoma. Because evidence of clinically significant improvement has been observed in a subgroup analysis and was not demonstrated in the pre-specified analysis of the primary and secondary endpoints of the Phase 3 study of Oncophage in renal cell carcinoma, this trial is likely not sufficient to support a BLA for product approval, based on existing standards. Furthermore, this trial may not be sufficient to support approval outside of the U.S.

We are exploring the steps necessary to seek approval of Oncophage in ex-U.S. markets. This exploration process includes, but is not limited to, formal and informal discussions with international regulatory authorities, key opinion leaders, and consultants with country-specific regulatory experience regarding potential applications for full or conditional marketing approvals and/or named patient programs. In conjunction with this process, on June 25, 2007, we completed the submission of an application for marketing authorization with the Russian Ministry of Public Health for the use of Oncophage in the treatment of kidney cancer patients at intermediate risk for disease recurrence. We expect to know the outcome of this application during the first half of 2008.

We are in the process of preparing to file a marketing authorization application in Europe for conditional authorization of Oncophage as an adjuvant treatment for kidney cancer patients. Conditional authorization, a relatively new provision, would allow for commercialization of a product with post approval commitments that include annual regulatory evaluation until those commitments are fulfilled. We intend to file the application in the second half of 2008. Preparations associated with filing a marketing application require a multitude of activities, including opening a dialogue with the relevant regulatory agency. Based on these on-going discussions, decisions regarding the intended date of a filing and/or the decision to file at all can be influenced or changed at any time.

During the quarter ended September 30, 2004, we completed enrollment of our Phase 3 trial in metastatic melanoma. Our overall manufacturing success rate for this trial was approximately 70%, and as a result during 2004 we indicated that we did not believe this trial would qualify as registrational. In October 2005, we announced preliminary survival data from this trial, and updated findings were presented on June 5, 2006 at the 39th annual meeting of the American Society of Clinical Oncology. Overall, patients in the intent-to-treat Oncophage arm (M1a, b, and c combined categories as defined by the American Joint Committee on Cancer) fared similarly to those in the physician’s choice arm in terms of survival, the primary endpoint. Landmark analyses were utilized to aid in exploring dose response (the landmark was set at day-150, which means that a patient had to survive at least 150 days in both arms to be considered for the analysis). The day 150 landmark represents the average time it would take for a patient to receive 10 injections of Oncophage. Using this analysis approach, it was observed that overall median survival time for a subgroup of patients who received at least 10 injections of Oncophage increased by approximately 29% in the Oncophage-treated arm as compared with those in the physician’s choice treatment arm (16.5 months versus 12.8 months).These findings also noted that in a subgroup of randomized stage IV M1a and M1b combined patients who received at least 10 doses of Oncophage vaccine, median survival time increased by approximately 143% in the Oncophage-treated arm compared with those in the physician’s choice treatment arm (31.2 months versus 12.8 months; nominal, one-sided *P* value of 0.017 and hazard ratio of 0.452). This analysis was not pre-specified. The physician’s choice treatment arm included the current array of therapies such as chemotherapeutics, biological agents, and/or surgery. This OS analysis of the primary endpoint on an intent-to-treat basis was not statistically significant. These Phase 3 metastatic melanoma trial results were published in the February 20, 2008 issue of the *Journal of Clinical Oncology*. No additional studies in metastatic melanoma are planned at this time.

AG-707

The first potential off-the-shelf application of our heat shock protein technology, AG-707, is an investigational therapeutic vaccine product candidate directed at the virus that causes genital herpes (herpes simplex virus-2 ("HSV-2")). AG-707 is a multivalent vaccine containing multiple synthetic HSV-2 peptides. Based on the results of completed toxicology studies and other preclinical activities, we submitted to the FDA an IND for AG-707 during the second quarter of 2005 and in October 2005, initiated a Phase 1 clinical trial of AG-707. We are currently evaluating immune responses in patients who have been treated. We expect this patient evaluation will be completed during 2008.

Aroplatin

Aroplatin is a novel liposomal formulation of a third-generation platinum chemotherapeutic structurally similar to Eloxatin (oxaliplatin; Sanofi Aventis), a treatment for colorectal cancer. In October 2005, we initiated a Phase 1, dose-escalation trial of Aroplatin in solid malignancies and NHL. This study is currently enrolling patients. We hope to reach the maximum tolerated dose in this study in 2008.

QS-21

QS-21 is an adjuvant, or a substance added to vaccines and other immunotherapies, that is designed to enhance the body's immune response to the antigen contained within the treatment. QS-21 is best known for its ability to stimulate antibody, or humoral, immune response, and has also been shown to activate cellular immunity. A natural product, QS-21 is a triterpene glycoside, or saponin, a natural compound purified from the bark of a South American tree called Quillaja saponaria. It is sufficiently characterized with a known molecular structure, thus distinguishing it from other adjuvant candidates, which are typically emulsions, polymers or biologicals.

QS-21 has been tested in approximately 175 clinical trials involving, in the aggregate, over 9,000 subjects in a variety of cancer indications, infectious diseases, and other disorders. These studies have been carried out by academic institutions predominantly located in the United States and by pharmaceutical companies at more than 20 international sites. A number of these studies have shown QS-21 to be significantly more effective in stimulating antibody responses than aluminum hydroxide or aluminum phosphate, the adjuvants most commonly used in approved vaccines in the United States today. None of these QS-21 trials performed to date have been pivotal.

On July 20, 2007, we executed a letter agreement with GSK amending the GSK supply agreement to accelerate GSK's commercial grade QS-21 manufacturing rights previously granted in July 2006. Accordingly, from the effective date of the letter, GSK has the right to manufacture all of its requirements of commercial grade QS-21. In addition, the parties have amended their purchase and supply obligations with respect to pre-commercial grade QS-21. Also, in accordance with the terms of the letter, upon our election, GSK is obligated to supply us (or our affiliates, licensees, or customers) certain quantities of commercial grade QS-21 for a stated period of time.

We understand that QS-21 is a key component included in several of GSK's proprietary adjuvant systems and that a number of GSK's vaccine candidates currently under development are formulated using adjuvant systems containing QS-21. GSK has initiated a Phase 3 study evaluating its investigational MAGE-A3 Antigen-Specific Cancer Immunotherapeutic containing QS-21 in non-small cell lung cancer. GSK has also released data from a Phase 2 study of its malaria vaccine candidate in African infants. GSK has indicated that it intends to proceed into late stage trials of what could be the first malaria vaccine for infants and young children in Africa.

Elan Corporation, plc, through its affiliate Elan Pharmaceuticals International Limited, has initiated a Phase 2 study of their Alzheimer's disease product candidate that contains QS-21 and Acambis plc has completed a Phase 1 clinical study of its M2e-based universal flu vaccine containing QS-21. Based on results of the clinical study, Acambis exercised its option for a commercial license to QS-21.

Liquidity and Capital Resources

We have incurred annual operating losses since inception, and we had an accumulated deficit of $498.6 million as of December 31, 2007. We expect to incur significant losses over the next several years as we continue our clinical trials, apply for regulatory approvals, prepare for commercialization, continue development of our technologies, and expand our operations. Phase 3 trials are particularly expensive to conduct. Since our inception, we have financed our operations primarily through the sale of equity and convertible notes, interest income earned on cash, cash equivalents, and short-term investment balances, and debt provided through secured lines of credit. From our inception through December 31, 2007, we have raised aggregate net proceeds of $429.2 million through the sale of common and preferred stock, the exercise of stock options and warrants, proceeds from our employee stock purchase plan, and the issuance of convertible notes, and borrowed $20.5 million under two credit facilities. As of December 31, 2007, we had debt outstanding of $77.5 million, including $27.4 million of 2006 Notes maturing August 30, 2011 and $50.0 million of 5.25% convertible senior notes maturing February 20, 2025.

In June 2005, we took steps to improve our operating efficiency through the prioritization of our development portfolio and a streamlining of our infrastructure. During December 2005, we implemented a series of actions to reduce our net cash burn (cash used in operating activities plus capital expenditures, debt repayments, and dividend payments), and preserve our cash. These actions included various cost saving activities, and a focusing and streamlining of our research and development activities. In April 2006, we expanded our restructuring plan to further conserve funds. This additional restructuring involved the temporary discontinuance and/or conclusion of late-stage clinical programs and concentrating on Phase 1 and preclinical programs, including Aroplatin, AG-707, and AU-801 (in September 2006, we discontinued activities related to AU-801). These actions resulted in a combined total headcount reduction of 133 positions. As a result of these actions and based on our current plans and activities, we anticipate that our net cash burn will be in the range of $30 million to $35 million for the year ending December 31, 2008. We continue to support and develop our QS-21 partnering collaborations, with the goal of generating royalties from this product in the 2010 timeframe.

We believe, based on our current plans and activities, that our working capital resources at December 31, 2007, along with the proceeds from our financing completed in January 2008, and the estimated proceeds from our license, supply, and collaborative agreements, will be sufficient to satisfy our liquidity requirements into 2009. However, we plan to attempt to raise additional funds prior to that time. In order to fund our operations through 2009 and beyond, we will need to raise additional funds and may attempt to do so by: (1) licensing technologies or products to one or more collaborative partners, (2) renegotiating license agreements with current collaborative partners, (3) completing an outright sale of assets, (4) securing additional debt financing, and/or (5) selling additional equity securities. Our ability to successfully enter into any such arrangements is uncertain, and if funds are not available, or not available on terms acceptable to us, we may be required to revise our planned clinical trials, other development activities, capital expenditures, and/or the scale of our operations. As noted above, we expect to attempt to raise additional funds in advance of depleting our current funds; however, we may not be able to raise funds or raise amounts sufficient to meet the long-term needs of the business. Satisfying long-term liquidity needs may require the successful commercialization of product candidates and will require additional capital as discussed above. Please see the “Forward-Looking Statements” section and the risks highlighted under Item 1A. “Risk Factors” of this Annual Report on Form 10-K.

Our future cash requirements include, but are not limited to, efforts to commercialize Oncophage in Russia and other jurisdictions we are currently exploring, as well as supporting our clinical trial and regulatory efforts and continuing our other research and development programs. Since inception, we have entered into various agreements with institutions and clinical research organizations to conduct and monitor our current clinical studies. Under these agreements, subject to the enrollment of patients and performance by the applicable institution of certain services, we have estimated our payments to be $47.9 million over the term of the studies. Through December 31, 2007, we have expensed $45.8 million as research and development expenses and $44.9 million has been paid related to these clinical studies. The timing of expense recognition and future payments related to these agreements is subject to the enrollment of patients and performance by the applicable institution of certain services.

We have also entered into sponsored research agreements related to our product candidates that required payments of $6.5 million, all of which has been paid through December 31, 2007. We plan to enter into additional agreements, and we anticipate significant additional expenditures will be required to advance our clinical trials, apply for regulatory approvals, continue development of our technologies, and bring our product candidates to market. Part of our strategy is to develop and commercialize some of our product candidates by continuing our existing collaborative arrangements with academic and collaborative partners and licensees and by entering into new collaborations. As a result of our collaborative agreements, we will not completely control the efforts to attempt to bring those product candidates to market. We have various agreements, for example, with collaborative partners and/or licensees, which allow the use of our QS-21 adjuvant in numerous vaccines. These agreements grant exclusive worldwide rights in some fields of use and co-exclusive or non-exclusive rights in others. These agreements generally provide us with rights to manufacture and supply QS-21 to the collaborative partner or licensee and also call for royalties to be paid to us on future sales of licensed vaccines that include QS-21, which may or may not be achieved. Significant investment in manufacturing capacity would be required if we were to retain our manufacturing and supply rights.

Our cash, cash equivalents, and short-term investments at December 31, 2007 were $18.7 million, a decrease of $21.4 million from December 31, 2006. In February 2007, we achieved a milestone related to the transfer of manufacturing technologies to GSK and received a payment of $2.0 million. In the third quarter of 2007, we received an additional $2.0 million payment from GSK pursuant to a letter executed in July 2007. This initial payment, as well as additional payments totaling $5.25 million through December 2012, is consideration for our acceleration of GSK's QS-21 manufacturing rights previously granted in July 2006. Except as expressly provided in the letter, all other financial obligations of GSK under the GSK supply agreement, including royalty payments, remain unchanged. The letter does not affect the rights and obligations of the parties under the July 6, 2006 GSK license agreement. We also received $1.1 million in other milestone payments related to QS-21 in the third quarter of 2007.

During the year ended December 31, 2007, we used cash primarily to finance our operations. Net cash used in operating activities for the years ended December 31, 2007 and 2006 was $26.7 million and $44.9 million, respectively. The decrease resulted primarily from our restructuring activities, as described above. We continue to support and develop our QS-21 partnering collaborations, with the goal of generating royalties from this product in the 2010 timeframe. Our future ability to generate cash from operations will depend on achieving regulatory approval of our product candidates, market acceptance of such product candidates, achieving benchmarks as defined in existing collaborative agreements, and our ability to enter into new collaborations. Please see the "Forward-Looking Statements" section and the risks highlighted under Item 1A. "Risk Factors" of this Annual Report on Form 10-K.

Net cash provided by investing activities for the year ended December 31, 2007 was $13.2 million as compared to $15.4 million for the year ended December 31, 2006. During the year ended December 31, 2007, we had net proceeds of $11.7 million from short-term investments compared with $13.0 million during the year ended December 31, 2006. We received $3.0 million during the year ended December 31, 2006 from the release of restrictions on our remaining restricted cash balance.

During December 2006, we entered into a formal plan to sell our limited partner interest in Applied Genomic Technology Capital Fund ("AGTC"), identified potential buyers, and received offers. On January 9, 2007, we contributed the final capital call of $165,000 to AGTC and on February 2, 2007, we completed the sale of our limited partner interest in AGTC to an accredited investor and received $1.7 million. We made a capital contribution of $285,000 to AGTC during the year ended December 31, 2006.

Net cash provided by financing activities was $3.8 million for the year ended December 31, 2007 as compared to $20.6 million for the year ended December 31, 2006. During the year ended December 31, 2006, exercises of stock options totaled $272,000. No options were exercised during the year ended December 31, 2007. During the years ended December 31, 2007 and 2006, proceeds from our employee stock purchase plan

totaled $78,000 and $197,000, respectively. Dividends paid on our series A convertible preferred stock totaled $791,000 during both periods. Long-term debt of $4.0 million was repaid during the year ended December 31, 2006. There were no repayments of long-term debt during the year ended December 31, 2007. In connection with a future financing, we paid offering costs of $202,000 that were deferred and included on our consolidated balance sheet at December 31, 2007 in other long-term assets.

On October 30, 2006, we issued $25.0 million of our 2006 Notes to a group of accredited investors. These 2006 Notes are convertible into our common stock at an initial fixed conversion price of $3.50 per share at the option of the investors. Alternatively, the 2006 Notes can be converted into an interest in a wholly-owned subsidiary that holds the rights or patents to QS-21 and AG-707. The 2006 Notes bear interest at 8% (an effective rate of 8.10%) payable semiannually on December 30 and June 30 in cash or, at our option, in additional notes or a combination thereof and mature on August 30, 2011. During the year ended December 31, 2007, we paid $50,000 of debt issuance costs related to the issuance of the 2006 Notes. During the year ended December 31, 2007, $2.1 million in interest payments that came due on the 2006 Notes were paid in additional notes.

On September 10, 2007, we issued 1,623,377 shares of our common stock at a price of $3.08 per share to a single institutional investor. Net proceeds, after deducting offering expenses paid by us of $259,000, were $4.7 million. In conjunction with this transaction, we also issued to the investor 10,000 shares of our new series B1 convertible preferred stock and 5,250 shares of our new series B2 convertible preferred stock (collectively, our “class B convertible preferred stock”). Shares of the series B1 convertible preferred stock permit the investor, within one year of the anniversary of closing, to purchase up to an additional $10.0 million of common shares at a purchase price equal to the lesser of $3.08 per share or a price calculated based on the then-prevailing price of our common stock minus $0.30 per share. Shares of the series B2 convertible preferred stock permit the investor to purchase common shares for consideration of up to 35 percent of the total dollar amount previously invested pursuant to the agreement with the investor, including conversions of the series B1 convertible preferred stock, at a purchase price equal to the lesser of $4.16 per common share or a price calculated based on the then-prevailing price of our common stock, and such right expires seven years from the date of issuance. The total number of shares of common stock issued or issuable to the holder of the class B convertible preferred stock cannot exceed 19.9% of our outstanding common stock. No dividends are paid on the class B convertible preferred stock and there are no liquidation preferences.

On January 9, 2008, we entered into a private placement agreement that included (i) 8,708,717 shares of common stock, (ii) warrants to acquire up to 8,708,717 shares of common stock at $3.00 per share, and (iii) unit warrants, which, if exercisable due to a Triggering Event as that term is defined in the applicable warrant, permit a holder to acquire up to 8,708,717 shares of common stock at $3.00 per share and warrants to acquire up to an additional 8,708,717 shares of common stock at $3.00 per share. We raised net proceeds in the private placement of $25.8 million, after deducting offering costs of $296,000. The net proceeds have been invested in short-term money market funds.

The table below summarizes our contractual obligations as of December 31, 2007 (in thousands).

		Payments Due by Period			
	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years
Long-term debt (1)	$ 98,553	$ 2,827	$ 5,250	$ 90,476	$ —
Operating leases	14,846	3,053	6,023	4,364	1,406
Total	$113,399	$ 5,880	$ 11,273	$ 94,840	$ 1,406

(1) Assumes the 2006 Notes are not converted and are paid in 2011. In certain circumstances, they could be called or converted before then. Also includes fixed interest payments and assumes that the convertible senior notes issued on January 25, 2005 are not converted and are paid on February 1, 2012. In certain circumstances, they could be converted before then. In addition, the note holders can require us to purchase

debt from them at certain dates between 2012 and 2020. If the convertible senior notes are not converted and we are not required to purchase the debt, it matures on February 1, 2025. If the debt were outstanding until maturity, there would be additional interest payments of $34.1 million for the period 2012 through 2025.

Effective July 19, 2002, we sublet part of our Framingham manufacturing, research and development, and office space to GTC Biotherapeutics, Inc. ("GTC"), and we have leased related leasehold improvements and equipment under agreements that were to expire on December 31, 2006. GTC exercised its option to extend this lease until September 2010. Under the terms of our original lease, we are obligated to pay our landlord approximately 7% of our rental income. Effective March 17, 2004, we sublet an additional part of our Framingham manufacturing, research and development, and office space to PP Manufacturing, whose lease also expires in September 2010. We are contractually entitled to receive base rental payments of $1.2 million in 2008, $1.2 million in 2009, and $863,000 in 2010. The collection of this income, however, is subject to uncertainty.

We are currently involved in certain legal proceedings as detailed in Item 3 above and Note 15 of the notes to our consolidated financial statements. While we currently believe that the ultimate outcome of any of these proceedings will not have a material adverse effect on our financial position, results of operations, or liquidity, litigation is subject to inherent uncertainty. Furthermore, litigation consumes both cash and management attention.

Inflation

We believe that inflation has not had a material adverse effect on our business, results of operations, or financial condition to date.

Related Parties

As of December 31, 2006, we had invested $2.8 million in a limited partnership, AGTC. Our total capital commitment to AGTC was $3.0 million. The management company for AGTC is NewcoGen Group Inc., which is a wholly-owned subsidiary of Flagship Venture Management, Inc. ("Flagship"). Noubar Afeyan, Ph.D., who was a member of our Board of Directors, is the Managing Partner and Chief Executive Officer of Flagship. For additional details, refer to Note 4 of the notes to our consolidated financial statements. Garo H. Armen, Ph.D., our Chairman and Chief Executive Officer, was a director of NewcoGen Group Inc. until 2004. During December 2006, we entered into a formal plan to sell our limited partner interest in AGTC, identified potential buyers, and received offers. On January 9, 2007, we contributed the final capital call of $165,000 to AGTC and on February 2, 2007, we completed the sale of our limited partner interest in AGTC to an accredited investor and received $1.7 million.

In March 1995, we entered into a consulting agreement with Dr. Pramod Srivastava, our scientific founder and a former member of our Board of Directors, and upon its expiration in March 2006, we entered into a new consulting agreement (the "Agreement"), effective March 28, 2006, with Dr. Srivastava. The Agreement has an initial term ending March 31, 2010. However, the parties are in discussions regarding potential early termination. In exchange for the timely performance of services, as defined in the Agreement, Dr. Srivastava is entitled to receive compensation to be established by the Compensation Committee of the Antigenics Board of Directors. For the twelve-month period ending March 31, 2008, Dr. Srivastava will receive $50,000. Dr. Srivastava is also eligible to receive an annual bonus and stock options at the discretion of the Compensation Committee of our Board of Directors.

In February 1998, we entered into a research agreement with the University of Connecticut Health Center ("UConn") to fund research in Dr. Srivastava's laboratory at UConn. Dr. Srivastava is a member of the faculty of the University of Connecticut School of Medicine. Effective December 31, 2006, this agreement was terminated, and a termination fee of $250,000 was paid to UConn in January 2007. The termination of this agreement did not affect our existing license rights under our license agreement with UConn.

On January 9, 2008, we entered into a private placement agreement that included (i) 8,708,717 shares of common stock, (ii) warrants to acquire up to 8,708,717 shares of common stock at $3.00 per share, and (iii) unit warrants, which, if exercisable due to a Triggering Event as that term is defined in the applicable warrant, permit a holder to acquire up to 8,708,717 shares of common stock at $3.00 per share and warrants to acquire up to an additional 8,708,717 shares of common stock at $3.00 per share. In conjunction with this private placement, we sold 542,050 shares of common stock to Garo H. Armen, Ph.D., our Chairman and Chief Executive Officer, and 1,166,667 shares of common stock to Armen Partners LP. Garo H. Armen is the general partner of Armen Partners LP and owns a controlling interest therein. In addition to the common stock acquired by Garo H. Armen and Armen Partners LP, each acquired an equal number of both warrants and unit warrants.

Critical Accounting Policies and Estimates

The Securities and Exchange Commission ("SEC") defines "critical accounting policies" as those that require the application of management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods.

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base those estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The following listing is not intended to be a comprehensive list of all of our accounting policies. Our significant accounting policies are described in Note 2 of the notes to our consolidated financial statements. In many cases, the accounting treatment of a particular transaction is dictated by U.S. generally accepted accounting principles, with no need for our judgment in its application. There are also areas in which our judgment in selecting an available alternative would not produce a materially different result. We have identified the following as our critical accounting policies.

Revenue Recognition

Revenue for services under research and development contracts are recognized as the services are performed, or as clinical trial materials are provided. Non-refundable milestone payments that represent the completion of a separate earnings process are recognized as revenue when earned. License fees and royalties are recognized as they are earned. Revenue recognized from collaborative agreements is based upon the provisions of SEC Staff Accounting Bulletin ("SAB") No. 104, *Revenue Recognition*, and Emerging Issues Task Force ("EITF") Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables*.

Share-Based Compensation

In accordance with the fair value recognition provisions of SFAS No. 123R, we recognize stock-based compensation expense net of an estimated forfeiture rate and only recognize compensation expense for those shares expected to vest. Compensation expense is recognized on a straight-line basis over the requisite service period of the award.

Stock options granted to certain non-employees have been accounted for based on the fair value method of accounting in accordance with SFAS No. 123R and EITF Issue No. 96-18, *Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services.* As a result, the non-cash charge to operations for non-employee options with vesting or other performance criteria is affected each reporting period, until the non-employee options vest, by changes in the fair value of our common

stock. Effective January 1, 2006, under the provisions of EITF Issue No. 00-19, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock*, the change in fair value of vested options issued to non-employees also affects each reporting period, until the options are exercised or expire.

Determining the appropriate fair value model and calculating the fair value of share-based payment awards requires the use of highly subjective assumptions, including the expected life of the share-based payment awards and stock price volatility. The assumptions used in calculating the fair value of share-based payment awards represent management's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future. In addition, if our actual forfeiture rate is materially different from our estimate, the stock-based compensation expense could be significantly different from what we have recorded in the current period. See Note 10 of the notes to our consolidated financial statements for a further discussion on stock-based compensation.

Recent Accounting Pronouncements

On January 1, 2007, we adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"), which is intended to clarify the accounting for income taxes by prescribing a minimum recognition threshold for a tax position before being recognized in the financial statements. FIN 48 also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. At the adoption of FIN 48 and as of December 31, 2007, total uncertain tax positions were immaterial and accordingly, no adjustments to the consolidated financial statements were required. We do not anticipate any material changes in the amount of unrecognized tax positions over the next twelve months.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 became effective for our financial assets and liabilities on January 1, 2008. On February 12, 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 157-2, *Effective Date of FASB Statement No. 157* ("FSP FAS No. 157-2") to provide a partial deferral of SFAS No. 157. FSP FAS No. 157-2 defers the effective date of SFAS No. 157 for all nonfinancial assets and liabilities, excluding those recognized or disclosed at fair value in an entity's financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008. We are currently evaluating what effect, if any, the adoption of SFAS No. 157 will have on our results of operations and financial position.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS No. 159"). SFAS No. 159 provides companies with the option to measure specified financial instruments and certain other items at fair value. We are required to adopt SFAS No. 159 as of January 1, 2008. We are currently evaluating what effect, if any, the adoption of SFAS No. 159 will have on our results of operations and financial position.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS No. 141R"). This revised standard expands the types of transactions or other events that will qualify as business combinations and requires that all business combinations will result in all assets and liabilities of the acquired business being recorded at their fair values, with limited exceptions. The standard also requires, among other provisions, that certain contingent assets and liabilities will be recognized at their fair values on the acquisition date. An acquirer will also recognize contingent consideration at its fair value on the acquisition date and, for certain arrangements, changes in fair value will be recognized in earnings until the contingency is settled. Under SFAS No. 141R, acquisition-related transaction and restructuring costs will be expensed rather than treated as part of the cost of the acquisition and included in the amount recorded for assets acquired. SFAS No. 141R is

required to be applied prospectively to business combinations for which the acquisition is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, and may not be early adopted.

In December 2007, the FASB also issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* ("SFAS No. 160"). SFAS No. 160, which is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, governs the accounting for and reporting of noncontrolling interests in partially owned consolidated subsidiaries and the loss of control in subsidiaries. We do not expect that the adoption of SFAS No. 160 will have a material impact on our financial position or results of operations.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

In the normal course of business, we are exposed to fluctuations in interest rates as we seek debt financing and invest excess cash. We are also exposed to foreign currency exchange rate fluctuation risk related to our transactions denominated in foreign currencies. We do not currently employ specific strategies, such as the use of derivative instruments or hedging, to manage these exposures. Our currency exposures vary, but are primarily concentrated in the Euro. During the year-ended December 31, 2007, there has been no material change with respect to our interest rate and foreign currency exposures or our approach toward those exposures. However, we are exploring possible commercialization of Oncophage outside of the U.S., which could result in increased foreign currency exposure.

The information below summarizes our market risks associated with debt obligations as of December 31, 2007. Fair value included herein has been estimated taking into consideration the nature and terms of each instrument and the prevailing economic and market conditions at December 31, 2007. The table presents principal payments by year of maturity based on the terms of the debt (in thousands).

	Estimated Fair Value (2)	Carrying Amount December 31, 2007	Year of Maturity		
			2008	2011	2012
Long-term debt (1)	$ 60,435	$ 77,547	$146	$27,401	$50,000

(1) Fixed interest rates range from 5.25% to 8%. The above table is based on the assumptions that future interest on the senior secured convertible notes issued on October 30, 2006 is paid in cash and that these notes are not converted at maturity (August 30, 2011). In certain circumstances, the notes could be called or converted before then. In addition, the table is based on the assumption that the convertible senior debt issued on January 25, 2005 is redeemed on February 1, 2012. In certain circumstances, it could be converted on or before February 1, 2012. In addition, the note holders of our convertible senior debt can require us to redeem debt at certain dates between 2012 and 2020. If the convertible senior debt is not converted and we are not required to purchase the debt, it matures on February 1, 2025.

(2) The estimated fair value of our long-term debt was derived by evaluating the nature and terms of each note and considering the prevailing economic and market conditions at the balance sheet date. In addition, the fair value of our convertible senior notes issued on January 25, 2005 was estimated based on the most recently available trader quotes.

We had cash, cash equivalents, and short-term investments at December 31, 2007 of $18.7 million, which are exposed to the impact of interest rate changes, and our interest income fluctuates as interest rates change. Due to the short-term nature of our investments in money market funds, our carrying value approximates the fair value of these investments at December 31, 2007, however, we are subject to investment risk.

We invest our cash, cash equivalents, and short-term investments in accordance with our Investment Policy. The primary objectives of our Investment Policy are to preserve principal, maintain proper liquidity to meet operating needs, and maximize yields. We review our Investment Policy annually and amend it as deemed necessary. Currently, the Investment Policy prohibits investing in any structured investment vehicles and asset-backed commercial paper. Although our investments are subject to credit risk, our Investment Policy specifies credit quality standards for our investments and limits the amount of credit exposure from any single issue, issuer, or type of investment. Our investments are also subject to interest rate risk and will decrease in value if market interest rates increase. However, due to the conservative nature of our investments and relatively short duration, interest rate risk is mitigated. We do not invest in derivative financial instruments. Accordingly, we do not believe that there is currently any material market risk exposure with respect to derivative or other financial instruments that would require disclosure under this item.

Item 8. ***Financial Statements and Supplementary Data***

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Antigenics Inc.:

We have audited the accompanying consolidated balance sheets of Antigenics Inc. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of operations, stockholders' (deficit) equity and comprehensive loss, and cash flows for each of the years in the three-year period ended December 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Antigenics Inc. and subsidiaries as of December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2(l) to the consolidated financial statements, the Company adopted the provisions of Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*, effective January 1, 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Antigenics Inc.'s internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 14, 2008 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Boston, Massachusetts
March 14, 2008

ANTIGENICS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2007	December 31, 2006
ASSETS		
Cash and cash equivalents	$ 14,479,322	$ 24,218,683
Short-term investments	4,199,996	15,876,302
Accounts receivable	318,707	182,493
Inventories	510,872	438,644
Prepaid expenses	837,075	1,307,648
Other current assets	436,012	274,652
Total current assets	20,781,984	42,298,422
Plant and equipment, net of accumulated amortization and depreciation of $22,628,352 and $18,610,317 at December 31, 2007 and 2006, respectively	14,604,243	18,618,632
Goodwill	2,572,203	2,572,203
Core and developed technology, net of accumulated amortization of $7,538,581 and $6,431,318 at December 31, 2007 and 2006, respectively	3,534,048	4,641,311
Debt issuance costs, net of accumulated amortization of $762,820 and $470,213 at December 31, 2007 and 2006, respectively	1,380,963	1,623,570
Other long-term assets	1,663,401	3,197,403
Total assets	$ 44,536,842	$ 72,951,541
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current portion, long-term debt	$ 146,061	$ 146,061
Current portion, deferred revenue	1,413,255	—
Accounts payable	674,473	1,089,567
Accrued liabilities	5,783,740	7,586,378
Other current liabilities	365,037	255,735
Total current liabilities	8,382,566	9,077,741
Convertible senior notes	77,400,533	75,333,333
Deferred revenue	3,038,280	3,115,336
Other long-term liabilities	2,775,766	2,818,599
Commitments and contingencies (Notes 13 and 15)		
STOCKHOLDERS' DEFICIT		
Preferred stock, par value $0.01 per share; 25,000,000 shares authorized:		
Series A convertible preferred stock; 31,620 shares designated, issued, and outstanding at December 31, 2007 and 2006; liquidation value of $31,817,625 at December 31, 2007	316	316
Series B1 convertible preferred stock; 10,000 and 0 shares designated, issued, and outstanding at December 31, 2007 and 2006, respectively	100	—
Series B2 convertible preferred stock; 5,250 and 0 shares designated, issued, and outstanding at December 31, 2007 and 2006, respectively	53	—
Common stock, par value $0.01 per share; 250,000,000 and 100,000,000 shares authorized at December 31, 2007 and 2006, respectively; 47,557,007 shares issued at December 31, 2007 and 45,843,751 shares issued and outstanding at December 31, 2006	475,570	458,438
Additional paid-in capital	451,114,779	444,013,527
Treasury stock, at cost; 5,953 shares of common stock at December 31, 2007	(12,168)	—
Accumulated other comprehensive loss	—	(21,853)
Accumulated deficit	(498,638,953)	(461,843,896)
Total stockholders' deficit	(47,060,303)	(17,393,468)
Total liabilities and stockholders' deficit	$ 44,536,842	$ 72,951,541

See accompanying notes to consolidated financial statements.

ANTIGENICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2007, 2006 and 2005

	2007	2006	2005
Revenue	$ 5,552,307	$ 692,135	$ 629,978
Operating expenses:			
Research and development	(21,788,541)	(28,643,510)	(47,079,493)
General and administrative	(17,041,339)	(21,287,599)	(25,868,142)
Restructuring costs	—	(1,374,293)	(1,596,200)
Operating loss	(33,277,573)	(50,613,267)	(73,913,857)
Other income (expense):			
Non-operating income	611	141,329	1,000
Interest expense	(4,985,162)	(3,288,660)	(2,963,496)
Interest income	1,467,067	1,880,049	2,772,799
Net loss	(36,795,057)	(51,880,549)	(74,103,554)
Dividends on series A convertible preferred stock	(790,500)	(790,500)	(790,500)
Net loss attributable to common stockholders	$ (37,585,557)	$ (52,671,049)	$ (74,894,054)
Per common share data, basic and diluted:			
Net loss attributable to common stockholders	$ (0.81)	$ (1.15)	$ (1.64)
Weighted average number of common shares outstanding, basic and diluted	46,511,577	45,809,142	45,577,344

See accompanying notes to consolidated financial statements.

ANTIGENICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY AND COMPREHENSIVE LOSS
For the Years Ended December 31, 2007, 2006 and 2005

	Series A Convertible Preferred Stock		Series B1 Convertible Preferred Stock		Series B2 Convertible Preferred Stock		Common Stock			Treasury Stock					
	Number of Shares	Par Value	Number of shares	Par Value	Number of shares	Par Value	Number of Shares	Par Value	Additional Paid-In Capital	Number of shares	Amount	Deferred Compensation	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at January 1, 2005	31,620	$ 316	—	$ —	—	$ —	45,536,012	$455,360	442,021,962	—	$ —	$ (27,134)	$ (147,377)	$(335,859,793)	$106,443,334
Comprehensive loss:															
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(74,103,554)	(74,103,554)
Unrealized gain on marketable securities, net	—	—	—	—	—	—	—	—	—	—	—	—	59,274	—	59,274
Comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	$ (74,044,280)
Share-based compensation	—	—	—	—	—	—	—	—	(60,889)	—	—	24,060	—	—	(36,829)
Employee share purchases	—	—	—	—	—	—	55,204	552	326,744	—	—	—	—	—	327,296
Dividend on series A convertible preferred stock ($25 per share)	—	—	—	—	—	—	—	—	(790,500)	—	—	—	—	—	(790,500)
Balance at December 31, 2005	31,620	316	—	—	—	—	45,591,216	455,912	441,497,317	—	—	(3,074)	(88,103)	(409,963,347)	31,899,021
Comprehensive loss:															
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(51,880,549)	(51,880,549)
Unrealized gain on marketable securities, net	—	—	—	—	—	—	—	—	—	—	—	—	66,250	—	66,250
Comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	$ (51,814,299)
Share-based compensation	—	—	—	—	—	—	—	—	4,568,473	—	—	3,074	—	—	4,571,547
Reclassification of liability classified option grants	—	—	—	—	—	—	—	—	(1,728,537)	—	—	—	—	—	(1,728,537)
Exercise of stock options	—	—	—	—	—	—	185,660	1,857	270,252	—	—	—	—	—	272,109
Employee share purchases	—	—	—	—	—	—	66,875	669	196,522	—	—	—	—	—	197,191
Dividend on series A convertible preferred stock ($25 per share)	—	—	—	—	—	—	—	—	(790,500)	—	—	—	—	—	(790,500)
Balance at December 31, 2006	31,620	316	—	—	—	—	45,843,751	458,438	444,013,527	—	—	—	(21,853)	(461,843,896)	(17,393,468)

See accompanying notes to consolidated financial statements.

ANTIGENICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY AND COMPREHENSIVE LOSS – (Continued)
For the Years Ended December 31, 2007, 2006 and 2005

	Series A Convertible Preferred Stock		Series B1 Convertible Preferred Stock		Series B2 Convertible Preferred Stock		Common Stock			Treasury Stock					
	Number of Shares	Par Value	Number of shares	Par Value	Number of shares	Par Value	Number of Shares	Par Value	Additional Paid-In Capital	Number of shares	Amount	Deferred Compensation	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Comprehensive loss:															
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(36,795 ,057)	(36,795 ,057)
Unrealized gain on marketable securities, net	—	—	—	—	—	—	—	—	—	—	—	—	21,853	—	21,853
Comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	$ (36,773,204)
Share-based compensation	—	—	—	—	—	—	—	—	3,555,787	—	—	—	—	—	3,555,787
Shares issued in private placement	—	—	10,000	100	5,250	53	1,623,377	16,234	4,724,969	—	—	—	—	—	4,741,356
Employee share purchases	—	—	—	—	—	—	48,813	488	77,510	—	—	—	—	—	77,998
Shares issued under Directors' Deferred Compensation Plan	—	—	—	—	—	—	15,629	156	74,344	—	—	—	—	—	74,500
Shares issued to a consultant	—	—	—	—	—	—	8,333	83	24,917	—	—	—	—	—	25,000
Reclassification of liability classified option grants	—	—	—	—	—	—	—	—	(565,604)	—	—	—	—	—	(565,604)
Vesting of nonvested shares	—	—	—	—	—	—	17,104	171	(171)	—	—	—	—	—	—
Treasury stock received for nonvested share tax payments	—	—	—	—	—	—	—	—	—	(5,953)	(12,168)	—	—	—	(12,168)
Dividend on series A convertible preferred stock ($25 per share)	—	—	—	—	—	—	—	—	(790,500)	—	—	—	—	—	(790,500)
Balance at December 31, 2007	31,620	$ 316	10,000	$ 100	5,250	$ 53	47,557,007	$475,570	$451,114,779	(5,953)	$(12,168)	$ —	$ —	$(498,638,953)	$ (47,060,303)

See accompanying notes to consolidated financial statements.

ANTIGENICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2007, 2006 and 2005

	2007	2006	2005
Cash flows from operating activities:			
Net loss	$(36,795,057)	$(51,880,549)	$ (74,103,554)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	5,420,330	5,655,595	5,593,661
Share-based compensation	3,055,620	3,036,211	(36,829)
Non-cash interest expense	2,067,200	333,333	—
Write-down of plant and equipment	5,137	695,894	243,225
Loss on sale of assets	—	37,900	22,068
Asset impairment	—	805,861	—
Changes in operating assets and liabilities:			
Accounts receivable	(136,214)	(136,907)	30,045
Inventories	(72,228)	(187,591)	(81,310)
Prepaid expenses	470,573	357,660	259,743
Accounts payable	(425,197)	(1,500,449)	(333,874)
Deferred revenue	1,322,866	2,941,446	187,224
Accrued liabilities and other current liabilities	(1,645,941)	(4,780,540)	1,545,883
Other operating assets and liabilities	41,913	(316,934)	347,926
Net cash used in operating activities	(26,690,998)	(44,939,070)	(66,325,792)
Cash flows from investing activities:			
Proceeds from maturities of available-for-sale securities	22,750,000	21,100,000	143,409,815
Purchases of available-for-sale securities	(11,051,841)	(8,114,749)	(100,940,028)
Investment in AGTC	(165,000)	(285,000)	(300,000)
Distribution from AGTC	—	—	123,169
Proceeds from sale of limited partner interest in AGTC	1,665,000	—	—
Proceeds from sale of equipment	—	33,257	—
Purchases of plant and equipment	(11,208)	(329,893)	(2,660,296)
Decrease in restricted cash	—	2,983,178	2,138,505
Net cash provided by investing activities	13,186,951	15,386,793	41,771,165
Cash flows from financing activities:			
Net proceeds from sale of equity	4,741,356	—	—
Deferred offering costs	(202,000)	—	—
Proceeds from exercise of stock options	—	272,109	—
Proceeds from employee stock purchases	77,998	197,191	327,296
Treasury stock received to satisfy minimum tax withholding requirements	(12,168)	—	—
Payments of series A convertible preferred stock dividends	(790,500)	(790,500)	(790,500)
Proceeds from long-term debt	—	25,000,000	50,000,000
Debt issuance costs	(50,000)	(101,041)	(1,992,742)
Payments of long-term debt	—	(4,023,675)	(5,752,265)
Net cash provided by financing activities	3,764,686	20,554,084	41,791,789
Net (decrease) increase in cash and cash equivalents	(9,739,361)	(8,998,193)	17,237,162
Cash and cash equivalents, beginning of year	24,218,683	33,216,876	15,979,714
Cash and cash equivalents, end of year	$ 14,479,322	$ 24,218,683	$ 33,216,876
Supplemental cash flow information:			
Cash paid for interest	$ 2,625,000	$ 2,690,467	$ 1,650,569
Cash paid for income taxes	$ —	$ —	$ 96,969
Non-cash investing and financing activities:			
Issuance of senior secured convertible notes as payment in-kind for interest	$ 2,067,200	$ 333,333	$ —

See accompanying notes to consolidated financial statements.

ANTIGENICS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Description of Business

Antigenics Inc. (including its subsidiaries, also referred to as "Antigenics", the "Company", "we", "us", and "our") is a biotechnology company researching and/or developing technologies and product candidates to treat cancers and infectious diseases. Our lead product candidates are Oncophage® (vitespen), a patient-specific therapeutic cancer vaccine, and QS-21 Stimulon® adjuvant ("QS-21"), which is used in numerous vaccines under development for a variety of diseases, including hepatitis, human immunodeficiency virus ("HIV"), influenza, cancer, Alzheimer's disease, malaria, and tuberculosis.

Our product candidates require clinical trials and approvals from regulatory agencies, as well as acceptance in the marketplace. We are conducting clinical trials in various cancers and in one infectious disease indication. Part of our strategy is to develop and commercialize some of our product candidates by continuing our existing collaborative arrangements with academic and corporate collaborators and licensees and by entering into new collaborations.

We have incurred significant losses since inception and, as a result, at December 31, 2007 we had an accumulated deficit of $498.6 million. We have financed our operations primarily through the sale of equity and convertible notes, interest income earned on cash, cash equivalents, and short-term investment balances, and debt provided through secured lines of credit. We believe, based on our current plans and activities, that our working capital resources at December 31, 2007, along with the proceeds from our financing completed in January 2008 (see Note 19 for further details), and the estimated proceeds from our license, supply, and collaborative agreements, will be sufficient to satisfy our liquidity requirements into 2009. Satisfying our long-term liquidity needs may require the successful commercialization of product candidates and will require additional capital.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of Antigenics and our wholly-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation. Certain prior period amounts have been reclassified in order to conform to the current period's presentation.

(b) Segment Information

We are managed and operated as one business. The entire business is managed by a single executive operating committee that reports to the chief executive officer. We do not operate separate lines of business with respect to any of our product candidates. Accordingly, we do not prepare discrete financial information with respect to separate product areas or by location and do not have separately reportable segments as defined by Statement of Financial Accounting Standards ("SFAS") No. 131, *Disclosures about Segments of an Enterprise and Related Information.*

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We base those estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

We consider all highly liquid investments purchased with maturities at acquisition of three months or less to be cash equivalents. As of December 31, 2007 and 2006, cash equivalents consist primarily of money market funds.

(e) Investments

We classify investments in marketable securities at the time of purchase. At December 31, 2007 and 2006, all marketable securities are classified as available-for-sale and as such, the investments are recorded at fair value with changes in fair value reported as a component of accumulated other comprehensive loss. Gains and losses on the sale of marketable securities are recognized in operations based on the specific identification method.

Investments of less than 20% of the voting control of companies or other entities over whose operating and financial policies we do not have the power to exercise significant influence are accounted for by the cost method. We record our investments at cost and recognize dividends received as income. The carrying values of investments are periodically reviewed to determine whether any decline in value is other than temporary. Other than temporary declines in the value of available-for-sale securities and other investments are charged to operations.

(f) Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily cash and cash equivalents, marketable securities, and accounts receivable. We invest our cash and cash equivalents in accordance with our Investment Policy, which specifies high credit quality standards and limits the amount of credit exposure from any single issue, issuer, or type of investment. We carry balances in excess of federally insured levels, however, we have not experienced any losses to date from this practice. Credit risk on accounts receivable is minimized by the financial position of the entities with which we do business. Credit losses from our customers have been immaterial.

(g) Inventories

Inventories are stated at the lower of cost or market. Cost has been determined using standard costs that approximate the first-in, first-out method.

(h) Plant and Equipment

Plant and equipment, including software developed for internal use, are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is computed over the shorter of the lease term or estimated useful life of the asset. Additions and improvements are capitalized, while repairs and maintenance are charged to expense as incurred.

(i) Fair Value of Financial Instruments

The fair value of a financial instrument represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Significant differences can arise between the fair value and carrying amounts of financial instruments that are recognized at historical cost amounts. The estimated fair values of all of our financial instruments, excluding debt, approximate their carrying amounts in the consolidated balance sheets. The fair value of our long-term debt was derived by evaluating the nature and terms of each note and considering the prevailing economic and market conditions at the balance sheet date. In addition, the fair value of our convertible senior notes was estimated based on the most recently available trader quotes. The carrying amount of debt, including current portion, is $77.5 million and $75.5 million at December 31, 2007 and 2006, respectively, and the fair value is estimated to be $60.4 million and $57.6 million at December 31, 2007 and 2006, respectively.

(j) Revenue Recognition

Revenue for services under research and development contracts are recognized as the services are performed, or as clinical trial materials are provided. Non-refundable milestone payments that represent the completion of a separate earnings process are recognized as revenue when earned. License fees and royalties are recognized as they are earned. Revenue recognized from collaborative agreements, is based upon the provisions of Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 104, *Revenue Recognition*, and Emerging Issues Task Force ("EITF") Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables*. To date, we have recognized no revenue from the sale of commercialized products. For the years ended December 31, 2007 and 2006, 68% and 89%, respectively, of our revenue was earned from one research partner. For the year ended December 31, 2005, 55% and 43% of our revenue was earned from two research partners.

(k) Research and Development

Research and development expenses include the costs associated with our internal research and development activities, including salaries and benefits, occupancy costs, clinical manufacturing costs, related administrative costs, and research and development conducted for us by outside advisors, such as sponsored university-based research partners and clinical study partners. We account for our clinical study costs by estimating the total cost to treat a patient in each clinical trial and recognizing this cost based on estimates of when the patient receives treatment, beginning when the patient enrolls in the trial. Research and development expenses also include all expenses related to any grant revenue recognized, as well as the cost of clinical trial materials shipped to our research partners. Research and development costs are expensed as incurred.

(l) Share-Based Compensation

Effective January 1, 2006, we adopted the fair value recognition provisions of SFAS No. 123R, *Share-Based Payment* ("SFAS No. 123R"), using the modified prospective transition method, and therefore have not restated prior periods' results. Our results of operations for the years ended December 31, 2007 and 2006 were impacted by the recognition of non-cash expense related to the fair value of our stock-based compensation awards. During the year ended December 31, 2007, we recorded a net charge of $3.1 million related to stock-based compensation, of which a charge of $892,000 is included in research and development expense and a charge of $2.2 million is included in general and administrative expense. During the year ended December 31, 2006, we recorded a net charge of $3.0 million related to stock-based compensation, of which a credit of $74,000 is included in research and development expense and a charge of $3.1 million is included in general and administrative expense. Stock-based compensation expense for the years ended December 31, 2007 and 2006 includes compensation expense for all stock-based options granted prior to, but not yet vested as of January 1, 2006, based on the grant date value estimated in accordance with the original provision of SFAS No. 123, *Accounting for Stock-Based Compensation* ("SFAS No. 123"). In addition, stock-based compensation expense for the years ended December 31, 2007 and 2006 includes compensation expense for all stock-based options granted, modified, or settled after January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123R. Under the fair value recognition provisions of SFAS No. 123R, we recognize stock-based compensation net of an estimated forfeiture rate and only recognize compensation cost for those shares expected to vest. Compensation cost is recognized on a straight-line basis over the requisite service period of the award. In March 2005, the SEC issued SAB No. 107, *Share-Based Payment* ("SAB No. 107"), which contained the SEC's guidance on SFAS No. 123R and the valuation of share-based payments for public companies. We applied the provisions of SAB No. 107 in the adoption of SFAS No. 123R. See Note 10 for a further discussion on stock-based compensation.

(m) Income Taxes

Income taxes are accounted for under the asset and liability method with deferred tax assets and liabilities recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and net operating loss and tax credit

carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which such items are expected to be reversed or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. Deferred tax assets are recorded when they more likely than not are expected to be realized.

(n) Net Loss Per Share

Basic loss per common share ("EPS") is calculated by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding and common shares issuable under our directors' deferred compensation plan. Diluted EPS is calculated by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding plus the dilutive effect of outstanding stock options and nonvested shares, our series A convertible preferred stock, our class B convertible preferred stock, our 5.25% convertible senior notes due 2025, and the senior secured convertible notes (the "2006 Notes"). Because we have reported a net loss attributable to common stockholders for all periods, diluted loss per common share is the same as basic loss per common share, as the effect of including shares underlying the outstanding stock options and nonvested shares, the series A convertible preferred stock, the class B convertible preferred stock, the 5.25% convertible senior notes due 2025, and the 2006 Notes in the calculation would have reduced the net loss per common share. Therefore, shares underlying the 6,783,901 outstanding stock options, the 440,878 outstanding nonvested shares, the 31,620 outstanding shares of series A convertible preferred stock, the 10,000 outstanding shares of series B1 convertible preferred stock, the 5,250 outstanding shares of series B2 convertible preferred stock, and the impact of conversion of the 5.25% convertible senior notes due 2025 and the 2006 Notes are not included in the calculation of diluted net loss per common share.

(o) Goodwill and Acquired Intangible Assets

Goodwill represents the excess of cost over the fair value of net assets of businesses acquired. In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* ("SFAS No. 142"), goodwill is not amortized, but instead tested for impairment at least annually. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS No. 144").

SFAS No. 142 requires us to assess annually whether there is an indication that goodwill is impaired, or more frequently if events and circumstances indicate that the asset might be impaired during the year. We perform our annual impairment test on October 31 of each year. We consider ourselves a single reporting unit for purposes of the impairment test. We determine our fair value using the quoted market price of our common stock, adjusted for certain factors, and compare it to our net book value at the date of our evaluation. To the extent our net book value exceeds the fair value, there is an indication that the reporting unit goodwill may be impaired and a second step of the impairment test is performed to determine the amount of the impairment to be recognized, if any.

The costs of core and developed technology are presented at estimated fair value at acquisition date. These costs are being amortized on a straight-line basis over their estimated useful lives of 10 years.

(p) Accounting for Asset Retirement Obligations

We account for asset retirement obligations in accordance with SFAS No. 143, *Accounting for Asset Retirement Obligations* ("SFAS No. 143"). SFAS No. 143 requires us to record the fair value of an asset retirement obligation as a liability in the period in which we incur a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and/or normal use of the assets. A legal obligation is a liability that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or contract. We are also required to record a corresponding asset that is

depreciated over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation will be adjusted at the end of each period to reflect the passage of time (accretion) and changes in the estimated future cash flows underlying the obligation. Changes in the liability due to accretion are charged to the consolidated statement of operations, whereas changes due to the timing or amount of cash flows are an adjustment to the carrying amount of the related asset. Our asset retirement obligations primarily relate to the expiration of our facility leases and anticipated costs to be incurred based on our lease terms.

(q) Long-lived Assets

SFAS No. 144 requires that long-lived assets, except goodwill and intangible assets not being amortized, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. SFAS No. 144 requires companies to separately report discontinued operations and extends that reporting to a component of an entity that either has been disposed of (by sale, abandonment, or in a distribution to owners) or is classified as held for sale. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(r) Recent Accounting Pronouncements

On January 1, 2007, we adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"), which is intended to clarify the accounting for income taxes by prescribing a minimum recognition threshold for a tax position before being recognized in the financial statements. FIN 48 also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. At the adoption of FIN 48 and as of December 31, 2007, total uncertain tax positions were immaterial and accordingly, no adjustments to the consolidated financial statements were required. We do not anticipate any material changes in the amount of unrecognized tax positions over the next twelve months.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 became effective for our financial assets and liabilities on January 1, 2008. On February 12, 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 157-2, *Effective Date of FASB Statement No. 157* ("FSP FAS No. 157-2") to provide a partial deferral of SFAS No. 157. FSP FAS No. 157-2 defers the effective date of SFAS No. 157 for all nonfinancial assets and liabilities, excluding those recognized or disclosed at fair value in an entity's financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008. We are currently evaluating what effect, if any, the adoption of SFAS No. 157 will have on our results of operations and financial position.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS No. 159"). SFAS No. 159 provides companies with the option to measure specified financial instruments and certain other items at fair value. We are required to adopt SFAS No. 159 as of January 1, 2008. We are currently evaluating what effect, if any, the adoption of SFAS No. 159 will have on our results of operations and financial position.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS No. 141R"). This revised standard expands the types of transactions or other events that will qualify as business combinations and requires that all business combinations will result in all assets and liabilities of the acquired business being recorded at their fair values, with limited exceptions. The standard also requires, among other provisions, that certain contingent assets and liabilities will be recognized at their fair values on the acquisition

date. An acquirer will also recognize contingent consideration at its fair value on the acquisition date and, for certain arrangements, changes in fair value will be recognized in earnings until the contingency is settled. Under SFAS No. 141R, acquisition-related transaction and restructuring costs will be expensed rather than treated as part of the cost of the acquisition and included in the amount recorded for assets acquired. SFAS No. 141R is required to be applied prospectively to business combinations for which the acquisition is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, and may not be early adopted.

In December 2007, the FASB also issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* ("SFAS No. 160"). SFAS No. 160, which is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, governs the accounting for and reporting of noncontrolling interests in partially owned consolidated subsidiaries and the loss of control in subsidiaries. We do not expect that the adoption of SFAS No. 160 will have a material impact on our financial position or results of operations.

(3) Inventories

Inventories are stated at cost using the first-in, first-out method. The components of inventories are as follows (in thousands).

	December 31, 2007	December 31, 2006
Work in process	$ 414	$ 344
Finished goods	97	95
	$ 511	$ 439

(4) Investments

Cash Equivalents and Short-term Investments

Our unrealized holding gains and losses in available-for-sale securities are as follows at December 31, 2007 and 2006 (in thousands).

	2007		2006	
	Unrealized Holding		Unrealized Holding	
	Gains	Losses	Gains	Losses
Government backed securities	$—	$—	$—	$ 22

Available-for-sale securities consisted of the following at December 31, 2007 and 2006 (in thousands).

	2007		2006	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Institutional money market funds	$ 15,082	$ 15,082	$ 16,929	$ 16,929
Auction rate securities	4,200	4,200	11,625	11,625
Government backed securities	—	—	11,586	11,564
	$ 19,282	$ 19,282	$ 40,140	$ 40,118

Proceeds from maturities of available-for-sale securities amounted to $22.8 million, $21.1 million, and $143.4 million for the years ended December 31, 2007, 2006, and 2005, respectively. No available-for-sale securities were sold before their maturity in 2007, 2006, or 2005. Gross realized gains and gross realized losses

included in net loss as a result of those maturities were immaterial for each of the years in the three-year period ended December 31, 2007. The change in net unrealized holding gains included in comprehensive loss amounted to $22,000, $66,000, and $59,000 for the years ended December 31, 2007, 2006, and 2005, respectively.

Of the available-for-sale securities listed above, $15.1 million and $24.5 million have been classified as cash equivalents on our consolidated balance sheet at December 31, 2007 and 2006, respectively. Approximately $4.2 million and $15.9 million have been classified as short-term investments at December 31, 2007 and 2006, respectively.

The contractual maturities of available-for-sale securities at December 31, 2007 are $15.1 million in 2008, and $4.2 million between 2027 and 2046. Securities with contractual maturities between 2027 and 2046 are auction rate securities and similar instruments and are classified as short-term investments, as we have the intent and ability to sell these securities as needed. Subsequent to December 31, 2007, we liquidated our entire portfolio of auction rate securities and transferred the proceeds into institutional money market funds. No loss was incurred on the liquidation of the auction rate securities.

Long-term Investments

On May 18, 2000, we committed $3.0 million to become a limited partner in a limited partnership called Applied Genomic Technology Capital Fund (“AGTC”), which invests principally in companies that apply genomic technologies and information in their offerings of products and services or that are engaged in research and development involving genomic technologies. Capital contributions to the limited partnership were made as requested by the general partner. During the year ended December 31, 2005, we received a cash distribution from AGTC of $123,000, which was recorded as a reduction in the carrying value of our investment. This investment was accounted for under the cost method, as our ownership interest was approximately 2%.

In order to assess whether or not there was an other than temporary decline in the value of this investment, we analyzed several factors, including: (1) the carrying value of the limited partnership’s investments in its portfolio companies, (2) how recently the investments in the portfolio companies have been made, (3) the post-financing valuations of those investments, (4) the level of uninvested capital held by the limited partnership, and (5) overall trends in venture capital valuations. We entered into a formal plan in December 2006 to sell our limited partner interest in AGTC, identified potential buyers, and received offers. As a result, we concluded that an other than temporary decline in the value of this investment had occurred as of December 31, 2006 and we reduced the carrying value (the cost of our investment in this partnership) by $806,000 to $1.5 million at December 31, 2006. This impairment charge was included in general and administrative expense.

Our investment balance aggregated $1.5 million at December 31, 2006 and was included in other long-term assets. The difference between the total amount invested and the carrying value was the result of distributions and other than temporary impairment charges.

On January 9, 2007, we contributed the final capital call of $165,000 to AGTC, and on February 2, 2007, we completed the sale of our limited partner interest in AGTC to an accredited investor and received $1.7 million. No gain or loss was realized on this sale in 2007.

The management company for AGTC is NewcoGen Group Inc., which is a wholly-owned subsidiary of Flagship Ventures Management, Inc. (“Flagship”). Noubar Afeyan, Ph.D., who was one of our directors, is Managing Partner and Chief Executive Officer of Flagship. In addition, Garo H. Armen, Ph.D., our Chairman and Chief Executive Officer, was a director of NewcoGen Group Inc. until 2004.

(5) Plant and Equipment

Plant and equipment at December 31, 2007 and 2006 consists of the following (in thousands).

	2007	2006	Estimated Depreciable Lives
Furniture, fixtures, and other	$ 1,646	$ 1,635	3 to 10 years
Laboratory and manufacturing equipment	6,892	6,905	4 to 10 years
Leasehold improvements	22,665	22,445	2 to 12 years
Software and computer equipment	6,029	6,023	3 years
Construction in progress	—	221	—
	37,232	37,229	
Less accumulated depreciation and amortization	(22,628)	(18,610)	
	$ 14,604	$ 18,619	

Plant and equipment, net that was retired and removed from the accounts aggregated $5,000 and $668,000 for the years ended December 31, 2007 and 2006, respectively.

(6) Other Intangible Assets

The following table presents certain information on our intangible assets as of December 31, 2007 and 2006 (in thousands).

	Weighted Average Amortization Period	As of December 31, 2007			As of December 31, 2006		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets:							
Core and developed technology	10 years	$11,073	$ 7,539	$ 3,534	$11,073	$ 6,432	$ 4,641

Our intangible assets are being amortized over their estimated useful lives of 10 years, with no estimated residual values. Amortization expense related to core and developed technology amounted to $1.1 million for each of the years ended December 31, 2007, 2006, and 2005. Amortization expense is estimated at $1.1 million for each of the years 2008 through 2010 and $265,000 in 2011.

(7) Income Taxes

We are subject to taxation in the U.S. and various state, local, and foreign jurisdictions. We remain subject to examination by U.S. Federal, state, local, and foreign tax authorities for tax years 2004 through 2007. With a few exceptions, we are no longer subject to U.S. Federal, state, local, and foreign examinations by tax authorities for the tax year 2003 and prior. However, net operating losses from the tax year 2003 and prior would be subject to examination if and when used in a future tax return to offset taxable income. Our policy is to recognize income tax related penalties and interest, if any, in our provision for income taxes and, to the extent applicable, in the corresponding income tax assets and liabilities, including any amounts for uncertain tax positions.

As of December 31, 2007, we have available net operating loss carryforwards of $449 million and $296.2 million for federal and state income tax purposes, respectively, which are available to offset future federal and state taxable income, if any, and expire between 2008 and 2027. These net operating loss carryforwards include $80.8 million for federal income tax purposes that was acquired in our mergers. Our ability to use such net operating losses is limited by change of control provisions under Internal Revenue Code Section 382 and may expire unused. In addition, we have $8.9 million and $6.2 million of federal and state research and development

credits, respectively, available to offset future taxable income. These federal and state research and development credits expire between 2020 and 2027, and 2015 and 2022, respectively. The potential impacts of such provisions are among the items considered and reflected in management's assessment of our valuation allowance requirements.

The tax effect of temporary differences and net operating loss and tax credit carryforwards that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31, 2007 and 2006 are presented below (in thousands).

	2007	2006
Deferred tax assets:		
Net operating loss carryforwards	$ 170,210	$ 161,388
Research and development tax credit	13,025	11,908
Other	10,251	6,574
Total deferred tax assets	193,486	179,870
Less: valuation allowance	(192,075)	(178,289)
Net deferred tax assets	1,411	1,581
Deferred tax liabilities	(1,411)	(1,581)
Net deferred tax	$ —	$ —

In assessing the realizablility of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the net operating loss and tax credit carryforwards can be utilized or the temporary differences become deductible. We consider projected future taxable income and tax planning strategies in making this assessment. In order to fully realize the deferred tax asset, we will need to generate future taxable income sufficient to utilize net operating losses prior to their expiration. Based upon our history of not generating taxable income due to our business activities focused on product development, we believe that it is more likely than not that deferred tax assets will not be realized through future earnings. Accordingly, a valuation allowance has been established for deferred tax assets, which will not be offset by the reversal of deferred tax liabilities. The valuation allowance on the deferred tax assets increased by $13.8 million during the year ended December 31, 2007 and increased by $19.0 million during the year ended December 31, 2006. The valuation allowance includes amounts pertaining to tax deductions relating to stock exercises for which any subsequently recognized tax benefit will be recorded as an increase to additional paid-in capital. Of the deferred tax assets related to the federal net operating loss carryforwards, $27.5 million relates to net operating loss carryforwards acquired in our mergers, as of December 31, 2007. If adjustments are made to the valuation allowance related to these net operating loss carryforwards, such adjustment will result in a reduction to our goodwill and/or other acquired intangible assets.

Income tax benefit was nil for each of the years ended December 31, 2007, 2006, and 2005, and differed from the amounts computed by applying the U.S. Federal income tax rate of 34% to loss before income taxes as a result of the following (in thousands).

	2007	2006	2005
Computed "expected" federal tax benefit	$(12,510)	$(17,639)	$(25,195)
(Increase) reduction in income taxes benefit resulting from:			
Change in valuation allowance	13,786	19,033	33,923
State and local income benefit, net of Federal income tax benefit	(2,184)	(3,082)	(4,402)
Other, net	908	1,688	(4,326)
	$ —	$ —	$ —

(8) Accrued Liabilities

Accrued liabilities consist of the following at December 31, 2007 and 2006 (in thousands).

	2007	2006
Professional fees	$ 1,358	$ 1,167
Interest on convertible notes	1,108	1,108
Payroll	1,045	1,188
Clinical contractors	717	764
Clinical trials	593	1,879
Other	963	1,480
	$ 5,784	$ 7,586

(9) Equity

Our authorized capital stock consists of 250,000,000 and 100,000,000 shares of $0.01 par value per share common stock at December 31, 2007 and 2006, respectively, and 25,000,000 shares of preferred stock, $0.01 par value per share. Our Board of Directors is authorized to issue the preferred stock and to set the voting, conversion, and other rights.

On September 10, 2007, we issued 1,623,377 shares of our common stock at a price of $3.08 per share to a single institutional investor. In conjunction with this transaction, we also issued to the investor 10,000 shares of our new series B1 convertible preferred stock and 5,250 shares of our new series B2 convertible preferred stock (collectively, our “class B convertible preferred stock”). Shares of the series B1 convertible preferred stock permit the investor, within one year of the anniversary of closing, to purchase up to an additional $10.0 million of common shares at a purchase price equal to the lesser of $3.08 per share or a price calculated based on the then-prevailing price of our common stock minus $0.30 per share. Shares of the series B2 convertible preferred stock permit the investor to purchase common shares for consideration of up to 35 percent of the total dollar amount previously invested pursuant to the agreement with the investor, including conversions of the series B1 convertible preferred stock, at a purchase price equal to the lesser of $4.16 per common share or a price calculated based on the then-prevailing price of our common stock, and such right expires seven years from the date of issuance. The total number of shares of common stock issued or issuable to the holder of the class B convertible preferred stock cannot exceed 19.9% of our outstanding common stock. No dividends are paid on the class B convertible preferred stock and there are no liquidation preferences. Gross proceeds of $5.0 million were received as a result of this transaction. Net proceeds, after deducting the placement agent fees and offering expenses paid by us, were $4.7 million. The class B convertible preferred stock has been recorded as an equity classified instrument in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (“SFAS No. 133”) and EITF Issue No. 00-19, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company’s Own Stock* (“EITF Issue No. 00-19”).

In a private placement in September 2003, we sold 31,620 shares of our series A convertible preferred stock, par value $0.01 per share, for net proceeds of $31.6 million, after deducting offering costs of $14,000. Under the terms and conditions of the Certificate of Designation creating the series A convertible preferred stock, this stock is convertible by the holder at any time into our common stock, is non-voting, carries a 2.5% annual dividend yield, has an initial conversion price of $15.81 per common share, subject to adjustment, and is redeemable by us at its face amount ($31.6 million) on or after September 24, 2013. The Certificate of Designation does not contemplate a sinking fund. The series A convertible preferred stock ranks senior to our common stock. In a liquidation, dissolution, or winding up of the Company, the series A convertible preferred stock’s liquidation preference must be fully satisfied before any distribution could be made to the common stock. Other than in such a liquidation, no terms of the series A convertible preferred stock affect our ability to declare or pay dividends on our common stock as long as the series A convertible preferred stock’s dividends are accruing. The liquidation value of this series A convertible preferred stock is equal to $1,000 per share outstanding plus any accrued

unpaid dividends. Accrued and unpaid dividends of the series A convertible preferred stock aggregated $197,625 or $6.25 per share at December 31, 2007.

During the year ended December 31, 2007, certain employees, in lieu of paying withholding taxes on the vesting of restricted stock awarded under our 1999 Equity Incentive Plan, as amended (the "1999 Equity Plan") authorized the withholding of an aggregate of 5,953 shares of common stock to satisfy the minimum tax withholding requirements related to such vesting. We recorded these shares as treasury stock using the cost method at the market price of the common stock on the vesting dates.

(10) Share-based Compensation Plans

Our 1999 Equity Plan authorizes awards of incentive stock options within the meaning of Section 422 of the Internal Revenue Code, non-qualified stock options, nonvested (restricted) stock, and unrestricted stock for up to 10,000,000 shares of common stock (subject to adjustment for stock splits and similar capital changes and exclusive of options exchanged at the consummation of mergers) to employees and, in the case of non-qualified stock options, nonvested (restricted) stock, and unrestricted stock, to consultants and directors as defined in the 1999 Equity Plan. The Board of Directors appointed the Compensation Committee to administer the 1999 Equity Plan.

Under the 1999 Employee Stock Purchase Plan, as amended (the "1999 ESPP"), employees may purchase shares of common stock at a discount from fair value. There are 450,000 shares of common stock reserved for issuance under the 1999 ESPP. The 1999 ESPP is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Internal Revenue Code. Rights to purchase common stock under the 1999 ESPP are granted at the discretion of the Compensation Committee, which determines the frequency and duration of individual offerings under the plan and the dates when stock may be purchased. Eligible employees participate voluntarily and may withdraw from any offering at any time before the stock is purchased. Participation terminates automatically upon termination of employment. The purchase price per share of common stock in an offering will not be less than 85% of the lesser of its fair value at the beginning of the offering period or on the applicable exercise date and may be paid through payroll deductions, periodic lump sum payments, or a combination of both. The plan terminates on November 15, 2009. From inception through December 31, 2007, 266,000 shares of common stock have been purchased under the plan.

Our Director's Deferred Compensation Plan, as amended, permits each outside director to defer all, or a portion of, their cash compensation until their service as a director ends or until a specified date. There are 250,000 shares of our common stock reserved for issuance under this plan. As of December 31, 2007, 15,629 shares have been issued. The plan allows eligible directors to defer all, or a portion, of their cash compensation into a cash account or a stock account. Amounts deferred to a cash account will earn interest at the rate paid on one-year Treasury bills with interest added to the account annually. Amounts deferred to a stock account will be converted on a quarterly basis into a number of units representing shares of our common stock equal to the amount of compensation which the participant has elected to defer to the stock account divided by the applicable price for our common stock. The applicable price for our common stock is defined as the average of the closing price of our common stock for all trading days during the calendar quarter preceding the conversion date as reported by the NASDAQ Global Market. Pursuant to this plan, 123,889 units, each representing a share of our common stock at a weighted average common stock price of $4.03, were credited to participants' stock accounts as of December 31, 2007. The compensation charges for this plan were immaterial for all periods presented.

Stock options granted to non-employees are accounted for based on the fair-value method of accounting in accordance with SFAS No. 123R and EITF Issue No. 96-18, *Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services.* As a result, the non-cash charge to operations for non-employee options with vesting or other performance criteria is affected each reporting period, until the non-employee options vest, by changes in the fair value of our common stock.

Certain of our fully vested options granted to non-employees are outside the scope of SFAS No. 123R and are subject to EITF Issue No. 00-19, which requires the stock options held by certain non-employee consultants to be accounted for as liability classified awards. The fair value of these vested and unexercised awards was estimated using the Black-Scholes option pricing model, and $1.7 million was reclassified from equity to a current liability as of January 1, 2006. The fair value of the award is remeasured each reporting period until the award is settled or expires. During the years ended December 31, 2007 and 2006, we recorded non-cash credits of $525,000 and $1.3 million, respectively, based on the remeasurement of these awards. We also reclassified an additional liability of $566,000 and $64,000 during the years ended December 31, 2007 and 2006, respectively, based on the vesting of certain of these awards. Non-employees exercised stock options to acquire 64,612 shares of common stock at an exercise price of $1.45 during the year ended December 31, 2006 and the total liability of $216,000 as of the exercise dates was reclassified to equity. As of December 31, 2007, stock options to acquire approximately 528,000 shares of common stock are held by non-employee consultants and remained unexercised.

Prior to January 1, 2006, we accounted for options granted to employees and directors in accordance with Accounting Principles Board ("APB") Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations. As such, compensation cost was recorded for stock option grants only if the fair value of the underlying stock exceeded the exercise price of the option at the date of grant. Any such compensation cost was recognized on a straight-line basis over the vesting period.

We provided pro forma disclosure amounts in accordance with SFAS No. 148, *Accounting for Stock-Based Compensation — Transition and Disclosure*, as if the fair value method defined by SFAS No. 123 had been applied to our stock-based compensation plans.

The total compensation related to these plans was a net expense (credit) of $3.1 million, $3.0 million, and $(37,000) for the years ended December 31, 2007, 2006, and 2005, respectively.

The following table illustrates the effect on net loss attributable to common stockholders and net loss attributable to common stockholders per common share, basic and diluted, had compensation cost for options granted to employees and directors and sold through our employee stock purchase plan been determined consistent with the fair value method of SFAS No. 123 (in thousands, except per share data).

	Year Ended December 31, 2005
Net loss attributable to common stockholders, as reported	$ (74,894)
Add: Stock-based employee and director compensation recognized under APB Opinion No. 25	50
Deduct: total stock-based employee and director compensation expense determined under fair value based method for all awards	(7,493)
Pro forma net loss attributable to common stockholders	$ (82,377)
Net loss attributable to common stockholders per common share, basic and diluted:	
As reported	$ (1.64)
Pro forma	$ (1.81)

In light of the accounting guidance under SFAS No. 123R and SAB No. 107, we evaluated our assumptions used in estimating the fair value of employee options granted. We also examined our historical pattern of option exercises in an effort to determine if there were any discernable activity patterns based on certain employee populations. From this analysis, we identified two employee populations. We used the Black-Scholes option pricing model to value the options for both of the employee populations as well as our options granted to members of our Board of Directors. The effects of applying SFAS No. 123R, for purposes of recognizing compensation cost under such pronouncement, may not be representative of the effects on our reported results of operations for future years.

All stock option grants are for a ten-year term and generally vest ratably over two to four year periods. The fair value of each option granted during the periods is estimated on the date of grant with the following weighted average assumptions:

	2007	2006	2005
Expected volatility	71%	70%	68%
Expected term in years	6	5	5
Risk-free interest rate	4.5%	4.5%	4.3%
Dividend yield	0%	0%	0%

Expected volatility is based exclusively on historical volatility data of the Company's stock. The expected term of stock options granted is based on historical data and other factors and represents the period of time that stock options are expected to be outstanding prior to exercise. The risk-free interest rate is based on U.S. Treasury strips with maturities that match the expected term on the date of grant.

A summary of option activity is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2006	5,912,850	$ 7.17		
Granted	1,768,650	2.46		
Forfeited or expired	(898,599)	8.60		
Outstanding at December 31, 2007	6,782,901	$ 5.75	6.69	$399,626
Vested or expected to vest at December 31, 2007	5,898,781	$ 6.09	6.37	$331,077
Exercisable at December 31, 2007	3,306,511	$ 8.12	4.76	$133,429

The weighted average grant-date fair value of options granted during the years ended December 31, 2007, 2006, and 2005 was $1.57, $2.21, and $3.75, respectively.

The aggregate intrinsic value in the table above represents the difference between our closing stock price on the last trading day of fiscal 2007 and the exercise price, multiplied by the number of in-the-money options that would have been received by the option holders had all option holders exercised their options on December 31, 2007. This amount changes based on the fair market value of our stock. The total intrinsic value of options exercised during the year ended December 31, 2006, determined on the date of exercise, was $915,000. No options were exercised during the years ended December 31, 2007 and 2005.

During 2007, 2006, and 2005, all options were granted with exercise prices equal to the fair market value of the underlying shares of common stock on the grant date.

As of December 31, 2007, $3.6 million of total unrecognized compensation cost related to stock options granted to employees and directors is expected to be recognized over a weighted average period of approximately 2.3 years.

At December 31, 2007, unrecognized expense for options granted to outside advisors for which performance (vesting) has not yet been completed but the exercise price of the option is known is approximately $156,000. Such amount is subject to change each reporting period based upon changes in the fair value of our common stock, expected volatility and the risk-free interest rate, until the outside advisor completes his or her performance under the option agreement.

A summary of our options outstanding and exercisable as of December 31, 2007 is as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 1.45 – $ 5.00	3,210,997	8.3	$ 2.20	641,356	$ 2.09
$ 5.01 – $10.00	2,196,534	6.0	7.01	1,432,935	7.31
$10.01 – $15.00	1,336,133	4.0	11.90	1,193,083	12.09
$15.01 – $20.00	39,000	3.2	16.02	38,900	16.02
	6,782,664		5.75	3,306,274	8.12

The preceding table excludes 237 options assumed in our merger with Aronex Pharmaceuticals, Inc, which have a remaining life of 3.1 years and an exercise price of $22.56 per share.

We had 5,912,850 and 6,003,608 options outstanding at December 31, 2006 and 2005, respectively, with weighted average exercise prices of $7.17 and $8.75, respectively.

Beginning with the year ended December 31, 2006, certain employees have been granted nonvested stock that vests over a two-year period. In accordance with SFAS No. 123R, the fair value of nonvested stock is estimated based on the closing sale price of the Company's common stock on the NASDAQ Global Market on the date of issuance.

A summary of nonvested stock activity is presented below:

	Nonvested Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2006	52,670	$ 4.60
Granted	441,929	1.83
Vested	(17,104)	4.64
Forfeited	(36,617)	2.07
Outstanding at December 31, 2007	440,878	2.03

As of December 31, 2007, there was $336,000 of unrecognized stock-based compensation expense related to these nonvested shares. This cost is expected to be recognized over a weighted average period of less than one year. The total intrinsic value of shares vested during the year ended December 31, 2007 was $35,000. No shares vested during the year ended December 31, 2006.

Cash received from option exercises and purchases under the 1999 ESPP for the years ended December 31, 2007, 2006, and 2005 was $78,000, $469,000, and $327,000, respectively. We issue new shares upon option exercises, purchases under the 1999 ESPP, vesting of nonvested stock, and under the Director's Deferred Compensation Plan. During the years ended December 31, 2007, 2006, and 2005, 48,813, 66,875 shares, and 55,204 shares were issued under the 1999 ESPP, respectively. During the year ended December 31, 2007, 11,151 shares, net of 5,953 shares withheld to cover personal income tax withholding, were issued as a result of the vesting of nonvested stock. In addition, during the year ended December 31, 2007, 15,629 shares were issued under our Directors' Deferred Compensation Plan. No such shares were issued during the years ended December 31, 2006 and 2005.

The impact on our results of operations from stock-based compensation was as follows (in thousands).

	2007	2006	2005
Research and development	$ 892	$ (74)	$(70)
General and administrative	2,164	3,111	33
Total stock-based compensation expense	$3,056	$3,037	$(37)

(11) License, Research, and Other Agreements

In November 1994, we entered into a Patent License Agreement with the Mount Sinai School of Medicine, or Mount Sinai (the "Mount Sinai Agreement"). Through the Mount Sinai Agreement, we obtained an exclusive worldwide license to patent rights relating to the heat shock protein technology that resulted from the research and development performed by Dr. Pramod Srivastava, our founding scientist and a former member of our Board of Directors. We agreed to pay Mount Sinai a royalty on the net sales of products covered by the licensed patent rights and also provided Mount Sinai with a 0.45% equity interest in the Company (approximately 62,000 shares valued at $90,000 at the time of issuance). The term of the Mount Sinai Agreement ends when the last of the licensed patents expires (2018) or becomes no longer valid. If we fail to pay royalties that are due under the agreement, Mount Sinai may issue written notice to us. If we continue to fail to pay royalties after 60 days from receipt of the written notice, Mount Sinai can terminate the agreement. The Mount Sinai Agreement requires us to use due diligence to make the products covered by the licensed patent rights commercially available, including a requirement for us to use best efforts to reach a number of developmental milestones which have been achieved. If we fail to comply with the diligence provisions of the agreement, Mount Sinai could take actions to convert our exclusive license to a non-exclusive license after six months written notice. The Mount Sinai Agreement does not contain any milestone payment provisions.

During 1995, Dr. Srivastava moved his research to Fordham University ("Fordham"). We entered into a sponsored research and technology license agreement with Fordham in March 1995 (the "Fordham Agreement") relating to the continued development of the heat shock protein technology and agreed to make payments to Fordham to sponsor Dr. Srivastava's research. Through the Fordham Agreement, we obtained an exclusive, perpetual, worldwide license to all of the intellectual property, including all the patent rights that resulted from the research and development performed by Dr. Srivastava at Fordham. We also agreed to pay Fordham a royalty on the net sales of products covered by the Fordham Agreement through the last expiration date on the patents under the agreement (2018) or when the patents become no longer valid. The agreement does not contain any milestone payment provisions or any diligence provisions. Dr. Srivastava moved his research to the University of Connecticut Health Center during 1997 and, accordingly, the parts of the agreement related to payments for sponsored research at Fordham terminated in mid-1997. During the term of the agreement, we paid $2.4 million to Fordham.

We had a research agreement with the University of Connecticut Health Center ("UConn") under which we paid UConn to sponsor research in Dr. Srivastava's laboratory (the "research agreement"). Effective December 31, 2006, this agreement was terminated, and a termination fee of $250,000 was paid to UConn in January 2007. Research and development expense in the accompanying 2006 and 2005 consolidated statements of operations include $1.4 million and $1.5 million, respectively, of costs incurred under the research agreement. There was no such cost incurred in 2007.

In addition, we entered into a license agreement with UConn in May 2001 that provides us with the exclusive, worldwide rights to technologies discovered and developed under the research agreement, (the "license agreement").The term of the license agreement ends when the last of the licensed patents expires (2019) or becomes no longer valid. UConn may terminate the license agreement: (1) if, after 30 days written notice for breach, we continue to fail to make any payments due under the license agreement, or (2) we cease to carry on our business related to the patent rights or if we initiate or conduct actions in order to declare

bankruptcy. We may terminate the license agreement upon 90 days written notice. The license agreement contains aggregate milestone payments of $1.2 million for each product we develop covered by the licensed patent rights. These milestone payments are contingent upon regulatory filings, regulatory approvals and commercial sales of products. We have also agreed to pay UConn a royalty on the net sales of products covered by the license agreement as well as annual license maintenance fees. Royalties otherwise due on the net sales of products covered by the license agreement may be credited against the annual license maintenance fee obligations. To date, we have paid $110,000 to UConn under the license agreement. The license agreement gives us complete discretion over the commercialization of products covered by the licensed patent rights, but also requires us to use commercially reasonable diligent efforts to introduce commercial products within and outside the United States. If we fail to meet these diligence requirements, UConn may be able to terminate the license agreement.

In March 2003, we entered into an amendment agreement that amended certain provisions of both the research agreement and the license agreement. The amendment agreement granted us a license to additional patent rights. In consideration for execution of the amendment agreement, we agreed to pay UConn an up front payment and to make future payments for licensed patents or patent applications. Through December 31, 2007, we have paid approximately $100,000 to UConn under the license agreement, as amended. The termination of the research agreement did not affect our license rights under the license agreement.

We have entered into various additional research agreements with educational and medical institutions, which expired through August 2005. These agreements required initial and quarterly payments totaling approximately $2.2 million (of which $45,000 was paid during the year ended December 31, 2005). In addition, from time to time we have entered into, and may continue to enter into, material transfer or research agreements with institutions or commercial entities.

We have entered into various agreements with institutions and contract research organizations to conduct clinical studies. Under these agreements, subject to the enrollment of patients and performance by the institution of certain services, we have estimated our payments to be $47.9 million over the term of the studies. For the years ended December 31, 2007, 2006, and 2005, $1.5 million, $3.7 million, and $9.3 million, respectively, have been expensed in the accompanying consolidated statements of operations related to these clinical studies. Through December 31, 2007, $44.9 million of this estimate has been paid or accrued. The timing of our expense recognition and future payments related to these agreements is dependent on the enrollment of patients and documentation received from the institutions.

In December 2000, Aronex Pharmaceuticals Inc., a company we acquired in July 2001, entered into a license agreement with Sumitomo Pharmaceuticals Co., Ltd., (the “Sumitomo Agreement”). In September 2003, this agreement was amended and restated with Antigenics. The Sumitomo Agreement grants us the exclusive right to an allowed U.S. patent application that contains certain claims related to Aroplatin. Except for the treatment of hepatoma, the Sumitomo Agreement gives us the exclusive right to make, use, develop, import, and sell Aroplatin in the United States. The term of the Sumitomo Agreement ends when the licensed patent expires in 2020. Either party may terminate the Sumitomo Agreement by giving written notice to the other party upon the occurrence of the following events: (1) if the other party makes an assignment for the benefit of creditors, is the subject of bankruptcy proceedings, or has a trustee or receiver appointed for substantially all of its assets, (2) if the other party becomes insolvent, or (3) if the other party materially defaults in its performance under the Sumitomo Agreement. Prior to our acquisition of Aronex Pharmaceuticals, Inc., Sumitomo received a $500,000 up-front payment in 2001 from Aronex Pharmaceuticals, Inc. and will receive subsequent milestone payments from us in the aggregate of up to $3.5 million if regulatory filings, regulatory approval, and sales in connection with Aroplatin occur. We agreed to pay Sumitomo royalties on the net sales of Aroplatin in the United States upon commercialization of the product.

In June 1988, a predecessor to Aronex Pharmaceuticals, Inc. entered into an exclusive license agreement with: (1) The Board of Regents of The University of Texas System and (2) The University of Texas System Cancer Center, collectively referred to as the “University of Texas”. As amended, the exclusive license

agreement grants us the exclusive, worldwide license to the University of Texas' patent rights containing claims that relate to Aroplatin. The term of the exclusive license agreement expires when the last licensed patent expires, which is anticipated to be in 2015. Either party may terminate the agreement upon 60 days written notice if the other party materially breaches any material terms of the exclusive license agreement. The agreement requires that we meet certain diligence provisions, specifically the conduct of ongoing and active research, developmental activities, marketing, clinical testing, or a licensing program, directed towards the production and sale of Aroplatin. If we fail to comply with these diligence provisions, the University of Texas may be able to terminate the exclusive license agreement upon 90 days written notice. The University of Texas also has the right to terminate the exclusive license agreement in the event that: (1) we discontinue our business, (2) we have a receiver or trustee appointed for our assets, or (3) we are the subject of a bankruptcy proceeding. We agreed to pay the University of Texas royalties on the net sales of Aroplatin. The applicable royalty percentage is dependent on the level of net sales of Aroplatin. We have also agreed to make a $200,000 milestone payment to the University of Texas if the FDA approves a new drug application for Aroplatin. To date, we have not made any payments to the University of Texas under the exclusive license agreement.

We have various comprehensive agreements with collaborative partners that allow for the use of QS-21, an investigational adjuvant used in numerous vaccines under development for a variety of diseases including, but not limited to, hepatitis, HIV, influenza, cancer, Alzheimer's disease, malaria, and tuberculosis. These agreements grant exclusive worldwide rights in some fields of use, and co-exclusive or non-exclusive rights in others. The agreements call for royalties to be paid to us by the collaborative partner on its future sales of licensed vaccines that include QS-21.

On July 6, 2006, we entered into an expanded license agreement (the "GSK license agreement") and an expanded Manufacturing Technology Transfer and Supply Agreement (the "GSK supply agreement") with GSK for the use of QS-21, an investigational adjuvant used in numerous vaccines under development. Under the terms of the agreements, we agreed to supply QS-21 to GSK through 2014. In addition, we agreed to transfer manufacturing technologies under the GSK supply agreement. In conjunction with the GSK license agreement and the GSK supply agreement, we received a $3.0 million up-front non-refundable payment in July 2006. In February 2007, we achieved a milestone related to the transfer of manufacturing technologies to GSK and received a payment of $2.0 million.

On July 20, 2007, we executed a letter with GSK amending the GSK supply agreement to accelerate GSK's commercial grade QS-21 manufacturing rights previously granted in July 2006. Accordingly, from the effective date of the letter, GSK has the right to manufacture all of its requirements of commercial grade QS-21. In addition, the parties have amended their purchase and supply obligations with respect to pre-commercial grade QS-21. In accordance with the terms of the letter, upon our election, GSK is obligated to supply us (or our affiliates, licensees, or customers) certain quantities of commercial grade QS-21 for a stated period of time.

As consideration for our entering into the letter, we received a $2.0 million up-front non-refundable payment from GSK in August 2007, in lieu of a milestone payment that would have otherwise been payable under the GSK supply agreement. In addition, GSK is obligated to make payments to us totaling $5.25 million through December 2012, for manufacturing profits that were anticipated to have otherwise been payable under the GSK supply agreement. Except as expressly provided in the letter, all other financial obligations of GSK under the GSK supply agreement, including royalty payments, remain unchanged. The letter does not affect the rights and obligations of the parties under the July 6, 2006 GSK license agreement.

During the year ended December 31, 2007, we recognized revenue of $2.8 million related to these payments. Deferred revenue of $4.0 million related to our agreement with GSK is included in deferred revenue on our consolidated balance sheet as of December 31, 2007.

In 2005, Elan Corporation, plc, through its affiliate Elan Pharmaceuticals International Limited ("Elan"), initiated clinical testing of its modified Alzheimer's disease product candidate containing QS-21. In 2007, Elan initiated Phase 2 studies of the modified Alzheimer's disease product candidate that contains QS-21, and we recognized revenue of $1.0 million for a milestone payment received from Elan based on this advancement.

(12) Certain Related Party Transactions

We currently have QS-21 license and supply agreements with Elan for use of QS-21 with an antigen in the field of Alzheimer's disease. Garo H. Armen, Ph.D., our Chairman and Chief Executive Officer, was a director of Elan until May 2006. During the year ended December 31, 2007, we recognized revenue of $1.0 million for a milestone payment from Elan related to the initiation of a Phase 2 study of Elan's Alzheimer's disease vaccine that contains QS-21. For the years ended December 31, 2006, and 2005, no revenues were earned under these agreements. No amounts were due to us under these agreements, as of December 31, 2007 and 2006.

In March 1995, we entered into a consulting agreement with Dr. Pramod Srivastava, our founding scientist and a former member of our Board of Directors, and upon its expiration in March 2006, we entered into a new consulting agreement (the "Agreement"), effective March 28, 2006, with Dr. Srivastava. The Agreement with Dr. Srivastava has an initial term of five years and is automatically extended for successive terms of one year unless either party notifies the other at least 90 days prior to the expiration of the original or any extension term that the Agreement is not to be extended. The Agreement may be terminated without cause by us during its term, subject to the payment of compensation for twelve months at the then current rate provided for under the Agreement. In exchange for the timely performance of services, as defined in the Agreement, Dr. Srivastava is entitled to receive compensation to be established by the Compensation Committee of the Antigenics Board of Directors. In 2005, we paid Dr. Srivastava a cash bonus of $135,000 and granted him options to purchase 120,000 shares of our common stock for services performed in 2004. These options vest over four years and are exercisable at $6.92 per share.

In September 2004, we entered into a $60,000 one-year service agreement with Techsoft, Inc. d.b.a Medical Systems and NG Techsoft Pvt. Ltd. for data management services. Navin Gupta is the President and Chief Executive Officer of Techsoft, Inc. d.b.a Medical Systems and the Director and Chairman of the Board of NG Techsoft Pvt. Ltd. He also is the spouse of Renu Gupta, our former Senior Vice President of Development. This agreement was extended several times during 2005 to obtain additional data management and processing services and expired in May 2006. For the year ended December 31, 2006, we expensed $125,000 under this agreement. At December 31, 2007, we had no amounts due under this agreement.

On October 22, 2004, we executed a letter of intent with Symphony Capital LLC for a potential transaction to provide funding for certain of our research programs. Mr. Mark Kessel, one of our former directors, is a managing director of Symphony Capital LLC. During February 2005, we determined not to pursue this potential transaction. During the year ended December 31, 2005, we paid $196,000 to Symphony Capital LLC for activities up to termination in February 2005. Dr. Alastair Wood, another former director of ours, was a consultant to, and had a financial interest in, Symphony Capital LLC.

On January 9, 2008, we entered into a private placement agreement that included (i) 8,708,717 shares of common stock, (ii) warrants to acquire up to 8,708,717 shares of common stock at $3.00 per share, and (iii) unit warrants, which, if exercisable due to a Triggering Event as that term is defined in the applicable warrant, permit a holder to acquire up to 8,708,717 shares of common stock at $3.00 per share and warrants to acquire up to an additional 8,708,717 shares of common stock at $3.00 per share. In conjunction with this private placement, we sold 542,050 shares of common stock to Garo H. Armen, Ph.D., our Chairman and Chief Executive Officer, and 1,166,667 shares of common stock to Armen Partners LP. Garo H. Armen is general partner of Armen Partners LP and owns a controlling interest therein. In addition to the common stock acquired by Garo H. Armen and Armen Partners LP, each acquired an equal number of both warrants and unit warrants.

(13) Leases

We lease manufacturing, research and development, and office facilities under various long-term lease arrangements. Rent expense (before sublease income) included in net loss was $3.1 million, $3.3 million, and $3.4 million for the years ended December 31, 2007, 2006, and 2005, respectively.

We lease a 162,000 square foot facility in Lexington, Massachusetts. We currently occupy 94,000 square feet of this facility. The future minimum rental payments under our leases of our Framingham and Lexington facilities, which expire in 2010 and 2013, respectively, and our New York City headquarters, which expires in 2012, are as follows (in thousands).

Year ending December 31,	
2008	$ 3,053
2009	3,108
2010	2,915
2011	2,224
2012	2,140
Thereafter	1,406
Total	$ 14,846

In connection with the Framingham and Lexington facilities, we maintain fully collateralized letters of credit of $375,000 and $1.0 million, respectively. No amounts have been drawn on the letters of credit as of December 31, 2007. In addition, for the office space in New York City, we were required to deposit $161,000 with the landlord as an interest-bearing security deposit pursuant to our obligations under the lease.

We have subleased a portion of our Framingham facility and are contractually entitled to receive base rental payments of $1.2 million in 2008, $1.2 million in 2009, and $863,000 in 2010. For the years ended December 31, 2007, 2006, and 2005, we received sublease rental payments of $1.1 million, $1.2 million, and $1.1 million, respectively, with respect to our subleased facilities.

(14) Debt

As of December 31, 2007, we have $77.5 million of debt outstanding.

Convertible Notes

On October 30, 2006 (the “Issuance Date”), we issued $25.0 million of the 2006 Notes to a group of accredited investors (“Investors”). These 2006 Notes bear interest at 8% (an effective rate of 8.10%) payable semi-annually on December 30 and June 30 in cash or, at our option, in additional notes or a combination thereof and mature on August 30, 2011. During the years ended December 31, 2007 and 2006, we issued additional 2006 Notes in the amount of $2.1 million and $333,000 respectively as payment for interest due.

The 2006 Notes are convertible into our common stock at an initial fixed conversion price of $3.50 per share at the option of the Investors. If, prior to the maturity date of these notes, we issue or sell, or in accordance with the terms of the 2006 Notes we are deemed to have issued or sold, any shares of our common stock (including the issuance or sale of shares of our common stock owned or held by or for our account, but excluding certain excluded securities) for a consideration per share of less than $3.00 (the “New Issuance Price”), then immediately after such issuance, the fixed conversion price then in effect shall be reduced to an amount equal to a 16.66% premium to the New Issuance Price. Alternatively, the 2006 Notes can be converted into an interest in one of our wholly-owned subsidiaries that holds the rights or patents to QS-21 and AG-707. If converted into an interest of this subsidiary, the ownership interest in the subsidiary is determined by multiplying the quotient of the conversion amount divided by $25.0 million by 30%.

For purposes of determining the adjusted New Issuance Price, the following shall be applicable:

(i) Issuance of options. If we in any manner grant or sell any options, other than options granted under the 1999 Equity Plan, and the lowest price per share for which one share of our common stock is issuable upon the exercise of any such option or upon conversion or exchange or exercise of any convertible securities issuable upon exercise of such option is less than $3.00 per share, then such share of our common stock shall be deemed to be outstanding and to have been issued and sold by us at the time of the granting or sale of such option for such price per share.

(ii) Issuance of convertible securities. If we in any manner issue or sell any convertible securities and the lowest price per share for which one share of our common stock is issuable upon such conversion or exchange or exercise thereof is less than $3.00 per share, then such share of our common stock shall be deemed to be outstanding and to have been issued and sold by us at the time of the issuance or sale of such convertible securities for such price per share.

(iii) Change in option price or rate of conversion. If the purchase price provided for in any options is changed, the additional consideration, if any, payable upon the issue, conversion, exchange, or exercise of any convertible securities, or the rate at which any convertible securities are convertible into or exchangeable or exercisable for our common stock changes at any time, the fixed conversion price in effect at the time of such change shall be adjusted to the fixed conversion price which would have been in effect at such time had such options or convertible securities provided for such changed purchase price, additional consideration, or changed conversion rate, as the case may be, at the time initially granted, issued, or sold.

At any time after October 30, 2009, we may call the 2006 Notes and accrued interest at face value for cash if our shares have a minimum average trading price during the prior 30-day period of $7.00 or higher. Such redemption shall not be effective until the 20th business day following notice from us, during which period the Investors may elect to exercise their conversion rights. If the Investors elect at any time to convert the 2006 Notes into ownership of the subsidiary holding the rights or patents to QS-21 and AG-707, we also have the right, within 30 days, to redeem the 2006 Notes, including accrued interest, at a redemption price providing a 30-percent internal rate of return to the Investors. The 2006 Notes are secured by our equity ownership in this subsidiary.

Upon the maturity of the 2006 Notes, we may elect to repay the outstanding balance in cash or in common stock, subject to certain limitations. If we elect to satisfy the outstanding balance with common shares at maturity, the number of shares issued will be determined by dividing the cash obligation by 90 percent of the average closing price of the common shares for the 20 trading days preceding the maturity date of the 2006 Notes. This right is subject to our market capitalization exceeding $300 million at such time.

In no event will any Investor be obligated to accept equity that would result in an Investor owning in excess of 9.99% of the Company’s outstanding common stock at any given time in connection with any conversion, redemption, or repayment of the 2006 Notes. The note agreements include material restrictions on the Company’s incurrence of debt and liens while the 2006 Notes are outstanding, as well as other customary covenants. The note agreements also include a change of control provision whereby the holders of the 2006 Notes may require us to redeem all or a portion of the then outstanding 2006 Notes at a price equal to 101% of the conversion amount being redeemed and a right of first refusal provision for the holders of the 2006 Notes on any sales of equity of the subsidiary holding the rights or patents to QS-21 and AG-707, to purchase up to 50% of such sales of equity on the same terms as the third-party purchaser.

If we at any time on or after the Issuance Date subdivide (by any stock split, stock dividend, recapitalization, or otherwise) one or more classes of our outstanding shares of common stock into a greater number of shares, the fixed conversion price in effect immediately prior to such subdivision will be proportionately reduced. If we at any time on or after the Issuance Date combine (by combination, reverse stock

split, or otherwise) one or more classes of our outstanding shares of common stock into a smaller number of shares, the fixed conversion price in effect immediately prior to such combination will be proportionately increased.

If any event occurs of the type contemplated above but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights, or other rights with equity features), then our Board of Directors will make an appropriate adjustment in the fixed conversion price then in effect so as to protect the rights of the holders of the 2006 Notes; provided that no such adjustment will increase the fixed conversion price then in effect as otherwise determined.

The fair value of the 2006 Notes is estimated to be $22.8 million at December 31, 2007.

On January 25, 2005, we issued $50.0 million of convertible senior notes in a private placement (the “2005 Notes”). Proceeds from the sale of the 2005 Notes were approximately $48.0 million net of issuance costs. Issuance costs are being amortized using the effective interest method over seven years, the expected life of the 2005 Notes based on the earliest date on which the holders can require redemption. The 2005 Notes, which mature in 2025, bear interest payable semi-annually on February 1 and August 1 of each year, at a rate of 5.25% per annum (an effective rate of 5.94%) and are convertible into common stock at an initial conversion price of $10.76 per share.

Subject to the terms of the indenture, this conversion rate may be adjusted for:

- dividends or distributions payable in shares of our common stock to all holders of our common stock or,
- subdivisions, combinations, or certain reclassifications of our common stock, by multiplying the conversion rate in effect before such event by the number of shares a person holding a single common share would own after such event.

The conversion rate may also be adjusted for:

- distributions to all or substantially all holders of our common stock of certain rights or warrants (other than, as described below, certain rights distributed pursuant to a stockholder rights plan) entitling them, for a period expiring not more than 60 days immediately following the record date for the distribution, to purchase or subscribe for shares of our common stock, or securities convertible into or exchangeable or exercisable for shares of our common stock, at a price per share, or having a conversion price per share, that is less than the “current market price” (as defined in the indenture) per share of our common stock on the record date for the distribution, by multiplying the conversion rate in effect before such event by a fraction whose numerator is the sum of the number of common shares outstanding before the event and the number of shares underlying the rights or warrants and whose denominator is the sum of the number of common shares outstanding before the event and the number of shares of common stock that could be purchased at market price with the aggregate dollar amount of the underlying shares at the below-market price (however, we will not adjust the conversion rate pursuant to this provision for distributions of certain rights or warrants, if we make certain arrangements for holders of the 2005 Notes to receive those rights and warrants upon conversion of the 2005 Notes);
- dividends or other distributions to all or substantially all holders of our common stock of shares of our capital stock (other than our common stock), evidences of indebtedness, or other assets (other than dividends or distributions covered by the bullet points below) or the dividend or distribution to all or substantially all holders of our common stock of certain rights or warrants (other than those covered above or, as described below, certain rights or warrants distributed pursuant to a stockholder rights plan) to purchase or subscribe for our securities, by multiplying the conversion rate in effect before such event by a fraction whose numerator is the “current market price” of the stock and whose denominator is that price less the fair market value of the dividended or distributed instrument

attributable to one share of common stock as determined in good faith by the Board of Directors (if the denominator is less than or equal to zero, then provision will be made for noteholders to receive upon conversion an amount of such instrument as they would have received had they converted all of their securities on the record date);

- cash dividends or other cash distributions by us to all or substantially all holders of our common stock, other than distributions described in the immediately following bullet point, by multiplying the conversion rate in effect immediately before the close of business on the record date for the cash distribution by a fraction whose numerator is the "current market price" per share of our common stock on the record date and whose denominator is that "current market price" less the per share amount of the distribution. However, we will not adjust the conversion rate pursuant to this provision to the extent that the adjustment would reduce the conversion price below $0.01; and
- distributions of cash or other consideration by us or any of our subsidiaries in respect of a tender offer or exchange offer for our common stock, where such cash and the value of any such other consideration per share of our common stock validly tendered or exchanged exceeds the "current market price" per share of our common stock on the last date on which tenders or exchanges may be made pursuant to the tender or exchange offer, by multiplying the conversion rate then in effect by a fraction whose numerator is equal to the sum of the aggregate amount of cash distributed and the aggregate fair market value as determined by the Board of Directors of the other consideration distributed and the product of the "current market price" per share of common stock and the number of shares of common stock outstanding at the last time at which tenders or exchanges could have been made, less the shares validly tendered or exchanged, and whose denominator is the product of the number of shares of common stock outstanding and the "current market price" of the stock.

If we issue rights, options, or warrants that are only exercisable upon the occurrence of certain triggering events, then:

- we will not adjust the conversion rate pursuant to the bullet points above until the earliest of these triggering events occurs; and
- we will readjust the conversion rate to the extent any of these rights, options, or warrants are not exercised before they expire.

The indenture does not require us to adjust the conversion rate for any of the transactions described in the bullet points above if we make provision for holders of the 2005 Notes to participate in the transaction without conversion on a basis and with notice that our Board of Directors determines in good faith to be fair and appropriate, as provided in the indenture. The indenture also does not require us to make any adjustments to the conversion rate for any dividends or distributions solely on our preferred stock.

We will not adjust the conversion rate pursuant to the bullet points above unless the adjustment would result in a change of at least 1% in the then effective conversion rate. However, we will carry forward any adjustment that we would otherwise have to make and take that adjustment into account in any subsequent adjustment.

To the extent permitted by law and the continued listing requirements of the NASDAQ Global Market, we may, from time to time, increase the conversion rate by any amount for a period of at least 20 days or any longer period permitted by law, so long as the increase is irrevocable during that period and our Board of Directors determines that the increase is in our best interests. In addition, we may also increase the conversion rate as we determine to be advisable in order to avoid or diminish any income taxes to holders of our common stock resulting from certain distributions.

On conversion, the holders of the 2005 Notes will receive, in addition to shares of our common stock and any cash for fractional shares, the rights under any future stockholder rights plan (i.e., a poison pill) we may establish, whether or not the rights are separated from our common stock prior to conversion. A distribution of

rights pursuant to such a stockholder rights plan will not trigger a conversion rate adjustment so long as we have made proper provision to provide that holders will receive such rights upon conversion in accordance with the terms of the indenture.

The 2005 Notes surrendered for conversion in connection with certain fundamental changes, as defined, that occur before February 1, 2012 may in certain circumstances be entitled to an increase in the conversion rate per $1,000 principal amount of the 2005 Notes.

A "fundamental change" generally will be deemed to occur upon the occurrence of a "change in control" or a "termination of trading."

A "change in control" generally will be deemed to occur at such time as:

- any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, or the Securities Exchange Act), other than us, any of our subsidiaries, or any of our employee benefit plans, is or becomes the "beneficial owner" (as that term is used in Rule 13d-3 under the Securities Exchange Act), directly or indirectly, of 50% or more of the total voting power of all classes of our capital stock entitled to vote generally in the election of directors ("voting stock");
- there occurs a sale, transfer, lease, conveyance, or other disposition of all or substantially all of our property or assets to any "person" or "group" (as those terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act), including any group acting for the purpose of acquiring, holding, voting, or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act;
- we consolidate with, or merge with or into, another person or any person consolidates with, or merges with or into, us, unless either:

  (i) the persons that "beneficially owned," directly or indirectly, the shares of our voting stock immediately prior to such consolidation or merger, "beneficially own," directly or indirectly, immediately after such consolidation or merger, shares of the surviving or continuing corporation's voting stock representing at least a majority of the total voting power of all outstanding classes of voting stock of the surviving or continuing corporation in substantially the same proportion as such ownership immediately prior to the transaction; or

  (ii) both of the following conditions are satisfied:

  - at least 90% of the consideration (other than cash payments for fractional shares or pursuant to statutory appraisal rights) in such consolidation or merger consists of common stock and any associated rights traded on a U.S. national securities exchange or quoted on the NASDAQ Global Market (or which will be so traded or quoted when issued or exchanged in connection with such consolidation or merger); and
  - as a result of such consolidation or merger, the 2005 Notes become convertible solely into such common stock, associated rights, and cash for fractional shares;
- the following persons cease for any reason to constitute a majority of our Board of Directors:

  (i) individuals who on the first issue date of the 2005 Notes constituted our Board of Directors; and

  (ii) any new directors whose election to our Board of Directors or whose nomination for election by our stockholders was approved by at least a majority of our directors then still in office either who were directors on such first issue date of the 2005 Notes or whose election or nomination for election was previously so approved; or
- we are liquidated or dissolved or holders of our capital stock approve any plan or proposal for our liquidation or dissolution.

A “termination of trading” is deemed to occur if our common stock (or other common stock into which the 2005 Notes are then convertible) is neither listed for trading on a U.S. national securities exchange nor approved for trading on an established automated over-the-counter trading market in the United States.

If:

- a “fundamental change,” as described under the first, second, or third bullet point of the description of “change in control” occurs before February 1, 2012; and
- at least 10% of the consideration (excluding cash payments for fractional shares or pursuant to statutory appraisal rights) for our common stock in the fundamental change consists of any combination of cash or securities (or other property) that are not traded on a U.S. national securities exchange or quoted on the NASDAQ Global Market (and are not scheduled to be so traded or quoted immediately after the fundamental change), then we will increase the conversion rate applicable to the 2005 Notes that are surrendered for conversion at any time from, and including, the 15th business day before the date we originally announce as the anticipated effective date of the fundamental change until, and including, the 15th business day after the actual effective date of the fundamental change.

We refer to such a fundamental change as a “make-whole fundamental change.” However, if the make-whole fundamental change is a “public acquirer fundamental change,” as described below, then, in lieu of increasing the conversion rate as described above, we may elect to change the conversion right in the manner described below.

If a holder surrenders a note for conversion in connection with a make-whole fundamental change we have announced, but the make-whole fundamental change is not consummated, the holder will not be entitled to any increased conversion rate in connection with the conversion.

In connection with a make-whole fundamental change, we will increase the conversion rate, based on the date when the make-whole fundamental change becomes effective, which we refer to as the “effective date,” and the “applicable price.” If the consideration (excluding cash payments for fractional shares or pursuant to statutory appraisal rights) for our common stock in the make-whole fundamental change consists solely of cash, then the “applicable price” will be the cash amount paid per share of our common stock in the make-whole fundamental change. Otherwise, the “applicable price” will be the average of the “closing sale prices” (as defined in the indenture) per share of our common stock for the five consecutive trading days immediately preceding the effective date. Our Board of Directors will make appropriate adjustments, in its good faith determination, to account for any adjustment to the conversion rate that becomes effective, or any event requiring an adjustment to the conversion rate where the ex date of the event occurs, at any time during those five consecutive trading days.

If an event occurs that requires an adjustment to the conversion rate, we will, on the date we must adjust the conversion rate, adjust each applicable price by multiplying the applicable price in effect immediately before the adjustment by a fraction:

- whose numerator is the conversion rate in effect immediately before the adjustment; and
- whose denominator is the adjusted conversion rate.

In addition, we will adjust the number of additional shares in accordance with a table in the indenture, based on the price per share of our common stock, and the timing of a fundamental change. As of December 31, 2007, the Company could issue between 0 and 39.53 additional shares per $1,000 principal amount of the 2005 Notes (representing up to 1,980,000 additional shares) in the event of a fundamental change. The number of additional shares is based on a closing sale price of $8.97 per share of our common stock on January 19, 2005 and certain pricing assumptions. If the actual applicable price is greater than $52.50 per share (subject to adjustment) or less than $8.97 per share (subject to adjustment), we will not increase the conversion rate.

However, certain continued listing standards of the NASDAQ Global Market potentially limit the amount by which we may increase the conversion rate. These standards generally require us to obtain the approval of our stockholders before entering into certain transactions that potentially result in the issuance of 20% or more of our outstanding common stock. Accordingly, we will not increase the conversion rate as described above beyond the maximum level permitted by these continued listing standards. We will make any such reduction in the increase to the conversion rate in good faith and, to the extent practical, pro rata in accordance with the principal amount of the 2005 Notes surrendered for conversion in connection with the make-whole fundamental change. In accordance with these listing standards, these restrictions will apply at any time when the 2005 Notes are outstanding, regardless of whether we then have a class of securities quoted on the NASDAQ Global Market.

If the make-whole fundamental change is a "public acquirer fundamental change," as described below, then we may elect to change the conversion right in lieu of increasing the conversion rate applicable to the 2005 Notes that are converted in connection with that public acquirer fundamental change. If we make this election, then we will adjust the conversion rate and our related conversion obligation such that, from and after the effective time of the public acquirer fundamental change, the right to convert a note into shares of our common stock will be changed into a right to convert it into shares of "public acquirer common stock," as described below, at a conversion rate equal to the conversion rate in effect immediately before the effective time multiplied by a fraction:

- whose numerator is:

  (i) if the public acquirer fundamental change is a share exchange, consolidation, merger, or binding share exchange pursuant to which our common stock is converted into cash, securities, or other property, the fair market value (as determined in good faith by our Board of Directors), as of the effective time of the public acquirer fundamental change, of the cash, securities, and other property paid or payable per share of our common stock; or

  (ii) in the case of any other public acquirer fundamental change, the average of the "closing sale prices" (as defined in the indenture) per share of our common stock for the five consecutive trading days before, and excluding, the effective date of the public acquirer fundamental change (subject to certain adjustments to be made in good faith by our Board of Directors); and

- whose denominator is the average of the last reported sale prices per share of the public acquirer common stock for the five consecutive trading days commencing on, and including, the trading day immediately after the effective date of the public acquirer fundamental change (subject to certain adjustments to be made in good faith by our Board of Directors).

If we elect to change the conversion right as described above, the change in the conversion right will apply to all holders from and after the effective time of the public acquirer fundamental change, and not just those holders, if any, that convert their 2005 Notes in connection with the public acquirer fundamental change.

A "public acquirer fundamental change" generally means an acquisition of us pursuant to a change of control described in the first, second, or third bullet point under the description of "change in control" (see above) where the acquirer (or any entity that is a direct or indirect wholly-owned subsidiary of the acquirer) has a class of common stock that is traded on a national securities exchange or quoted on the NASDAQ Global Market or that will be so traded or quoted when issued or exchanged in connection with the change in control. We refer to such common stock as the "public acquirer common stock."

On or after February 1, 2012, we may redeem the 2005 Notes for cash, at a redemption price equal to 100% of the principal amount of the 2005 Notes, plus any accrued and unpaid interest. On each of February 1, 2012, February 1, 2015 and February 1, 2020, holders may require us to purchase their 2005 Notes for cash equal to 100% of the principal amount of the 2005 Notes, plus any accrued and unpaid interest. Holders may also require us to repurchase their 2005 Notes upon a "fundamental change", as defined above, at a repurchase price,

in cash, equal to 100% of the principal amount of the 2005 Notes to be repurchased, plus any accrued and unpaid interest. The 2005 Notes are senior unsecured obligations of Antigenics and rank equally with all of our existing and future senior unsecured indebtedness. The 2005 Notes are effectively subordinated to all of our existing and future secured indebtedness and all existing and future liabilities of our subsidiaries. The 2005 Notes do not contain any financial covenants and do not limit our ability to incur additional indebtedness, including senior or secured indebtedness, issue securities, pay dividends, or repurchase our securities. We were obligated until January 25, 2007 to keep effective a shelf registration statement with the SEC for resale of the 2005 Notes and the shares of common stock issuable upon conversion of the 2005 Notes by the holders thereof. Failure to do so could have resulted in an obligation to pay additional interest to each holder of registrable securities who was affected.

The fair value of the 2005 Notes is estimated to be $37.5 million at December 31, 2007 based on trader quotes.

Under SFAS No. 133, the conversion features of our convertible notes are essentially call options on our stock. Because the options are indexed to our own stock and a separate instrument with the same terms would be classified in stockholders' (deficit) equity in our consolidated balance sheet, the options are not considered to be derivative instruments and should not be separated from the host contracts. Accordingly, the conversion features of these convertible notes are not bifurcated from either of the notes.

Other

At December 31, 2007, approximately $146,000 of debentures we assumed in our merger with Aquila Biopharmaceuticals are outstanding. These debentures carry interest at 7% and are callable by the holders. Accordingly they are classified as part of the current portion of long-term debt.

(15) Contingencies

Antigenics, our Chairman and Chief Executive Officer, Garo H. Armen, Ph.D., and two investment banking firms that served as underwriters in our initial public offering have been named as defendants in a civil class action lawsuit filed on November 5, 2001 in the Federal District Court for the Southern District of New York on behalf of a class of purchasers of our stock between February 3, 2000 and December 6, 2000. Similar complaints were filed against about 300 other issuers, their underwriters, and in many instances their directors and officers. These cases have been coordinated under the caption *In re Initial Public Offering Securities Litigation*, Civ. No. 21 MC 92 (SAS), by order dated August 9, 2001. The suit against Antigenics and Dr. Armen alleges that the brokerage arms of the investment banking firms charged secret excessive commissions to certain of their customers in return for allocations of our stock in the offering. The suit also alleges that shares of our stock were allocated to certain of the investment banking firms' customers based upon agreements by such customers to purchase additional shares of our stock in the secondary market. The complaint alleges that Antigenics is liable under Section 11 of the Securities Act of 1933, as amended (the "Securities Act"), and Dr. Armen is liable under Sections 11 and 15 of the Securities Act because our registration statement did not disclose these alleged practices. On April 19, 2002, the plaintiffs in this action filed an amended class action complaint, which contains new allegations. Again, similar amended complaints were filed with respect to the other companies. In addition to the claims in the earlier complaint, the amended complaint alleges that Antigenics and Dr. Armen violated Sections 10(b) and 20 of the Securities Exchange Act and SEC Rule 10b-5 by making false and misleading statements and/or omissions in order to inflate our stock price and conceal the investment banking firms' alleged secret arrangements. The claims against Dr. Armen, in his individual capacity, have been dismissed without prejudice. On July 15, 2002, Antigenics and Dr. Armen joined the Issuer Defendants' Motion to Dismiss the Consolidated Amended Complaints. By order of the court, this motion set forth all "common issues" (i.e., all grounds for dismissal common to all or a significant number of Issuer Defendants). The hearing on the Issuer Defendants' Motion to Dismiss and the other Defendants' motions to dismiss was held on November 1, 2002. On February 19, 2003, the court issued its opinion and order on the Issuer Defendants' Motion to Dismiss. The court

granted Antigenics' motion to dismiss the Rule 10b-5 and Section 20 claims with leave to amend and denied our motion to dismiss the Section 11 and Section 15 claims. On June 14, 2004, papers formalizing a proposed settlement among the plaintiffs, Issuer Defendants, and insurers were presented to the Federal District Court for the Southern District of New York. On February 15, 2005, the court granted preliminary approval of the settlement. On August 31, 2005, the court issued an order confirming preliminary approval of the settlement. The settlement remained subject to a number of conditions, including final court approval. In December 2006, the appellate court overturned the certification of classes in the six test cases that were selected by the underwriter defendants and plaintiffs in the coordinated proceedings. Class certification was one of the conditions of the settlement. Accordingly, on June 25, 2007, the court entered an order terminating the proposed settlement based on a stipulation among the parties to the settlement. It is uncertain whether there will be any revised or future settlement. To date, the plaintiffs have not asserted a specific amount of damages and, at this time, we cannot make a reliable estimate of possible loss, if any, related to this litigation. Accordingly, no accrual has been recorded at December 31, 2007.

On October 12, 2005, a third party filed a notice of opposition in the European Patent Office to European patent EP 0750513 B1 which has claims relating to AG-702/707 and to which we hold the exclusive license. On January 21, 2008, the opposition division of the European Patent Office issued its decision revoking the patent. This decision may be appealed by March 21. For strategic reasons, we have decided not to appeal this decision.

We currently are a party, or may become a party, to other legal proceedings as well. While we currently believe that the ultimate outcome of any of these proceedings will not have a material adverse effect on our financial position, results of operations, or liquidity, litigation is subject to inherent uncertainty. Furthermore, litigation consumes both cash and management attention.

(16) 401(k) Plan

We sponsor a defined contribution 401(k) savings plan for all eligible employees, as defined. Participants may contribute up to 60% of their compensation, as defined, with a maximum of $15,500 for individuals under 50 years old and $20,500 for individuals 50 years old and older in 2007. Each participant is fully vested in his or her contributions and related earnings and losses. The Company matches 50% of the participant's contribution, subject to a maximum of 6% of compensation. Such matching contributions vest over four years. For the years ended December 31, 2007, 2006, and 2005, we expensed $176,000, $213,000, and $534,000 for the Company's contributions to the 401(k) plan.

(17) Restructuring Costs

In June 2005, we took steps to improve our operating efficiency through the prioritization of our development portfolio and a streamlining of our infrastructure. These steps resulted in the recording of restructuring charges of $606,000. In December 2005, we further updated our business strategy and refocused our programs and priorities, including the postponement and deceleration of a number of our projects. These actions resulted in additional charges of $990,000 being recorded in December 2005 and $112,000 being recorded during the quarter ended March 31, 2006. In April 2006, we commenced the implementation of a plan to further restructure, refocusing our programs and priorities with the goal of reducing our net cash burn (cash used in operating activities plus capital expenditures, debt repayments, and dividend payments). We recorded charges of $645,000 at that time, resulting in total charges of $757,000 for the year ended December 31, 2006. These actions resulted in a combined total headcount reduction of 133 positions.

During 2006, we also wrote-off certain assets that were determined to not be required for our updated business strategy. This resulted in impairment charges of $617,000.

(18) Quarterly Financial Data (Unaudited)

	Quarter Ended,			
	March 31,	June 30,	September 30,	December 31,
	(In thousands, except per share data)			
2007				
Revenue	$ 2,353	$ 1,443	$ 863	$ 893
Net loss	(8,696)	(9,853)	(10,786)	(7,460)
Net loss attributable to common stockholders	(8,894)	(10,050)	(10,984)	(7,658)
Per common share, basic and diluted:				
Net loss attributable to common stockholders	$ (0.19)	$ (0.22)	$ (0.24)	$ (0.16)

	Quarter Ended,			
	March 31,	June 30,	September 30,	December 31,
	(In thousands, except per share data)			
2006				
Revenue	$ 60	$ 96	$ 216	$ 320
Net loss	(15,234)	(14,088)	(11,022)	(11,537)
Net loss attributable to common stockholders	(15,432)	(14,286)	(11,219)	(11,734)
Per common share, basic and diluted:				
Net loss attributable to common stockholders	$ (0.34)	$ (0.31)	$ (0.24)	$ (0.26)

(19) Subsequent Event

On January 9, 2008, we entered into a private placement agreement under which we issued and sold (i) 8,708,717 shares of common stock, (ii) warrants to acquire up to 8,708,717 shares of common stock at $3.00 per share, and (iii) unit warrants, which, if exercisable due to a Triggering Event as that term is defined in the applicable warrant, permit a holder to acquire up to 8,708,717 shares of common stock at $3.00 per share and warrants to acquire up to an additional 8,708,717 shares of common stock at $3.00 per share. We raised net proceeds in this private placement of $25.8 million, after deducting offering costs of $296,000.

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***Controls and Procedures***

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were functioning effectively as of the end of the period covered by this Annual Report on Form 10-K to provide reasonable assurance that the Company can meet its disclosure obligations.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Securities Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2007.

KPMG LLP, our independent registered public accounting firm, has issued their report, included herein, on the effectiveness of our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fourth quarter of 2007 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Antigenics Inc.:

We have audited Antigenics Inc.'s internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Antigenics Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Antigenics Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Antigenics Inc. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of operations, stockholders' (deficit) equity and comprehensive loss, and cash flows for each of the years in the three-year period ended December 31, 2007, and our report dated March 14, 2008 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Boston, Massachusetts
March 14, 2008

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The response to this item is incorporated by reference from "Executive Officers of the Registrant" found in Part I of this Annual Report on Form 10-K, following Item 4 of this Annual Report on Form 10-K, and from sections entitled "Proposal 1 – Election of Directors," "Our Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement relating to our 2008 Annual Meeting of Stockholders scheduled for June 4, 2008.

Item 11. ***Executive Compensation***

The response to this item is incorporated by reference into this Annual Report on Form 10-K from sections entitled "Our Corporate Governance," "Compensation Discussion and Analysis," "Compensation Committee Report," "Compensation of Executive Officers" and "Director Compensation" in our Proxy Statement relating to our 2008 Annual Meeting of Stockholders scheduled for June 4, 2008.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The response to this item is incorporated by reference into this Annual Report on Form 10-K from sections entitled "Equity Plans" and "Ownership of Our Common Stock" in our Proxy Statement relating to our 2008 Annual Meeting of Stockholders scheduled for June 4, 2008.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The response to this item is incorporated by reference into this Annual Report on Form 10-K from the sections entitled "Our Corporate Governance" and "Certain Relationships and Related Transactions" in our Proxy Statement relating to our 2008 Annual Meeting of Stockholders scheduled for June 4, 2008.

Item 14. ***Principal Accountant Fees and Services***

The response to this item is incorporated by reference into this Annual Report on Form 10-K from the section entitled "Proposal 3 — Ratify the Appointment of KPMG LLP as our Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2008" in our Proxy Statement relating to our 2008 Annual Meeting of Stockholders scheduled for June 4, 2008.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules***

(a) 1. *Consolidated Financial Statements*

The consolidated financial statements are listed under Item 8 of this Annual Report on Form 10-K.

2. *Consolidated Financial Statement Schedules*

The consolidated financial statement schedules required under this Item and Item 8 are omitted because they are not applicable or the required information is shown in the consolidated financial statements or the footnotes thereto.

3. *Exhibits*

The exhibits are listed below under Part IV Item 15(b).

(b) Exhibits

Exhibit Index

Exhibit No.	Description
1.1	Placement Agent Agreement dated August 31, 2007 by and between Antigenics Inc. and Wm Smith Securities. Filed as Exhibit 1.1 to our Current Report on Form 8-K (File No. 0-29089) dated August 31, 2007 and incorporated herein by reference.
3.1	Amended and Restated Certificate of Incorporation of Antigenics. Filed as Exhibit 3.1 to our Current Report on Form 8-K (File No. 0-29089) dated June 10, 2002 and incorporated herein by reference.
3.1.1	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Antigenics Inc. Filed as Exhibit 3.1 to our Current Report on Form 8-K (File No. 0-29089) dated June 11, 2007 and incorporated herein by reference.
3.2	Second Amended and Restated By-laws of Antigenics Inc. Filed as Exhibit 3.2 to our Current Report on Form 8-K (File No. 0-29089) dated December 17, 2007 and incorporated herein by reference.
3.3	Certificate of Designation, Preferences and Rights of the Series A Convertible Preferred Stock of Antigenics Inc. filed with the Secretary of State of the State of Delaware on September 24, 2003. Filed as Exhibit 3.1 to our Current Report on Form 8-K (File No. 0-29089) dated September 25, 2003 and incorporated herein by reference.
3.4	Certificate of Designations, Preferences and Rights of the Class B Convertible Preferred Stock of Antigenics Inc. Filed as Exhibit 3.1 to our Current Report on Form 8-K (File No. 0-29089) dated August 31, 2007 and incorporated herein by reference.
4.1	Form of Common Stock Certificate. Filed as Exhibit 4.1 to our registration statement on Form S-1 (File No. 333-91747) and incorporated herein by reference.
4.2	Registration Rights Agreement dated August 2, 1989 by and among Aronex Pharmaceuticals, Inc. and certain of its stockholders. Filed as Exhibit 10.1 to the registration statement on Form S-1 (File No. 333-47418) of Aronex Pharmaceuticals, Inc. and incorporated herein by reference.
4.3	First Amendment to Registration Rights Agreement dated April 18, 1990, by and among Aronex Pharmaceuticals, Inc. and certain of its stockholders. Filed as Exhibit 10.2 to the registration statement on Form S-1 (File No. 333-47418) of Aronex Pharmaceuticals, Inc. and incorporated herein by reference.

Exhibit No.	Description
4.4	Second Amendment to Registration Rights Agreement dated October 31, 1991, by and among Aronex Pharmaceuticals, Inc. and certain of its stockholders. Filed as Exhibit 10.3 to the registration statement on Form S-1 (File No. 333-47418) of Aronex Pharmaceuticals, Inc. and incorporated herein by reference.
4.5	Third Amendment to Registration Rights Agreement, dated September 10, 1993, among Aronex Pharmaceuticals, Inc. and certain of its stockholders. Filed as Exhibit 10.4 to the registration statement on Form S-1 (File No. 333-71166) of Aronex Pharmaceuticals, Inc. and incorporated herein by reference.
4.6	Fourth Amendment to Registration Rights Agreement dated January 20, 1994, among Aronex Pharmaceuticals and certain of its stockholders. Filed as Exhibit 10.5 to the Annual Report on Form 10-K/A for the year ended December 31, 1999 (File No. 0-20111) of Aronex Pharmaceuticals, Inc. and incorporated herein by reference.
4.7	Indenture, dated January 25, 2005, between the Registrant and HSBC Bank USA, National Association. Filed as Exhibit 4.1 to our Current Report on Form 8-K (File No. 0-29089) dated January 25, 2005 and incorporated herein by reference.
4.8	Registration Rights Agreement, dated January 25, 2005, between the Registrant and the initial purchasers. Filed as Exhibit 4.2 to our Current Report on Form 8-K (File No. 0-29089) dated January 25, 2005 and incorporated herein by reference.
4.9	Form of Note under the Securities Purchase Agreement dated as of October 30, 2006 by and among Antigenics Inc., a Delaware corporation and the investors listed on the Schedule of Buyers thereto. Filed as Exhibit 4.1 to our Current Report on Form 8-K (File No. 0-29089) dated October 31, 2006 and incorporated herein by reference.
4.10	Form of PIK Note under the Securities Purchase Agreement dated as of October 30, 2006 by and among Antigenics Inc., a Delaware corporation and the investors listed on the Schedule of Buyers thereto. Filed as Exhibit 4.2 to our Current Report on Form 8-K (File No. 0-29089) dated October 31, 2006 and incorporated herein by reference.
4.11	Pledge of Security Agreement dated as of October 30, 2006 by and among Antigenics Inc., a Delaware corporation and the investors listed on the Schedule of Buyers thereto. Filed as Exhibit 4.3 to our Current Report on Form 8-K (File No. 0-29089) dated October 31, 2006 and incorporated herein by reference.
4.12	Guaranty dated as of October 30, 2006 by and between Antigenics Inc., a Massachusetts corporation and Ingalls & Snyder LLC, as Collateral Agent for the Buyers. Filed as Exhibit 4.4 to our Current Report on Form 8-K (File No. 0-29089) dated October 31, 2006 and incorporated herein by reference.
4.13	Guaranty dated as of October 30, 2006 by and between Aronex Pharmaceuticals, Inc. and Ingalls & Snyder LLC, as Collateral Agent for the Buyers. Filed as Exhibit 4.5 to our Current Report on Form 8-K (File No. 0-29089) dated October 31, 2006 and incorporated herein by reference.
4.14	Securities Purchase Agreement dated as of October 30, 2006 by and among Antigenics Inc., a Delaware corporation and the investors listed on the Schedule of Buyers thereto. Filed as Exhibit 4.6 to our Current Report on Form 8-K (File No. 0-29089) dated October 31, 2006 and incorporated herein by reference.
4.15	Form of Warrant under the Securities Purchase Agreement dated January 9, 2008. Filed as Exhibit 4.1 to our Current Report on Form 8-K (File No. 0-29089) dated January 9, 2008 and incorporated herein by reference.

Exhibit No.	Description
4.16	Form of Contingent Warrant under the Securities Purchase Agreement dated January 9, 2008. Filed as Exhibit 4.2 to our Current Report on Form 8-K (File No. 0-29089) dated January 9, 2008 and incorporated herein by reference.
4.17	Purchase Agreement dated August 31, 2007 by and between Antigenics Inc. and Fletcher International, Ltd. Filed as Exhibit 99.1 to our Current Report on Form 8-K (File No. 0-29089) dated August 31, 2007 and incorporated herein by reference.
4.18	Form of Debenture. Filed as Exhibit 4.1 to the Current Report on Form 8-K dated April 13, 1998 of Aquila Biopharmaceuticals, Inc. (File No. 0-12081) and incorporated herein by reference.
10.1*	1999 Equity Incentive Plan. Filed as Exhibit 10.1 to our registration statement on Form S-1 (File No. 333-91747) and incorporated herein by reference.
10.1.1*	Amendment No. 1 to Antigenics Inc. 1999 Equity Incentive Plan. Filed as Exhibit 4.1 to our Current Report on Form 8-K (File No. 0-29089) dated June 11, 2003 and incorporated herein by reference.
10.1.2*	Amendment No. 2 to Antigenics Inc. 1999 Equity Incentive Plan. Filed as Exhibit 4.1 to our Current Report on Form 8-K (File No. 0-29089) dated May 27, 2004 and incorporated herein by reference.
10.1.3	Form of Non-Statutory Stock Option. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated December 15, 2004 and incorporated herein by reference.
10.1.4*	Amendment No. 3 to Antigenics Inc. 1999 Equity Incentive Plan. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated June 14, 2006 and incorporated herein by reference.
10.1.5*	Form of 2007 Restricted Stock Award Agreement. Filed herewith.
10.1.6*	Form of 2008 Restricted Stock Award Agreement. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated March 11, 2008 and incorporated herein by reference.
10.2*	1999 Employee Stock Purchase Plan, as amended. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated June 11, 2007 and incorporated herein by reference.
10.3	Founding Scientist's Agreement between Antigenics and Pramod K. Srivastava, Ph.D. dated March 28, 1995. Filed as Exhibit 10.3 to our registration statement on Form S-1 (File No. 333-91747) and incorporated herein by reference.
10.3.1(1)	Amendment to Founding Scientist's Agreement dated January 1, 2003. Filed as Exhibit 10.29 to our Annual Report on Form 10-K (File No. 0-29089) for the year ended December 31, 2002 and incorporated herein by reference.
10.4	Form of Indemnification Agreement between Antigenics and its directors and executive officers. These agreements are materially different only as to the signatories and the dates of execution. Filed as Exhibit 10.4 to our registration statement on Form S-1 (File No. 333-91747) and incorporated herein by reference. Current schedule identifying the directors and executive officers filed herewith.
10.5(1)	Patent License Agreement between Antigenics and Mount Sinai School of Medicine dated November 1, 1994, as amended on June 5, 1995. Filed as Exhibit 10.8 to our registration statement on Form S-1 (File No. 333-91747) and incorporated herein by reference.
10.6(1)	Sponsored Research and Technology License Agreement between Antigenics and Fordham University dated March 28, 1995, as amended on March 22, 1996. Filed as Exhibit 10.9 to our registration statement on Form S-1 (File No. 333-91747) and incorporated herein by reference.

Exhibit No.	Description
10.7*	Antigenics 401(k) Plan. Filed as Exhibit 10.17 to our registration statement on Form S-1 (File No. 333-91747) and incorporated herein by reference.
10.8*	Antigenics L.L.C. Incentive Equity Plan. Filed as Exhibit 10.18 to our registration statement on Form S-1 (File No. 333-91747) and incorporated herein by reference.
10.9	Lease Agreement by and between Aquila Biopharmaceuticals, Inc. and NDNE 9/90 Corporate Center LLC effective September 19, 1997. Filed as Exhibit 10.1 to Amendment No. 1 to registration statement on Form S-3 of Aquila Biopharmaceuticals, Inc. (File No. 333-46641) and incorporated herein by reference.
10.9.1	First Amendment to Lease Agreement by and between Aquila Biopharmaceuticals, Inc. and NDNE 9/90 Corporate Center LLC dated December 17, 1997. Filed as Exhibit 10.1 to Amendment No. 1 to registration statement on Form S-3 of Aquila Biopharmaceuticals, Inc. (File No. 333-46641) and incorporated herein by reference.
10.9.2	Second Amendment to Lease Agreement by and between Aquila Biopharmaceuticals, Inc. and NDNE 9/90 Corporate Center LLC dated January 14, 1998. Filed as Exhibit 10.1 to Amendment No. 1 to registration statement on Form S-3 of Aquila Biopharmaceuticals, Inc. (File No. 333-46641) and incorporated herein by reference.
10.9.3	Third Amendment to Lease Agreement by and between Aquila Biopharmaceuticals, Inc. and NDNE 9/90 Corporate Center LLC dated February 3, 1998. Filed as Exhibit 10.1 to Amendment No. 1 to registration statement on Form S-3 of Aquila Biopharmaceuticals, Inc. (File No. 333-46641) and incorporated herein by reference.
10.9.4	Fourth Amendment to Lease Agreement by and between Aquila Biopharmaceuticals, Inc. and NDNE 9/90 Corporate Center LLC dated February 27, 1998. Filed as Exhibit 10.1 to Amendment No. 1 to registration statement on Form S-3 of Aquila Biopharmaceuticals, Inc. (File No. 333-46641) and incorporated herein by reference.
10.9.5	Fifth Amendment to Lease Agreement by and between Aquila Biopharmaceuticals, Inc. and NDNE 9/90 Corporate Center LLC dated March 13, 1998. Filed as Exhibit 10.1 to Amendment No. 1 to registration statement on Form S-3 of Aquila Biopharmaceuticals, Inc. (File No. 333-46641) and incorporated herein by reference.
10.9.6	Sixth Amendment to Lease Agreement by and between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.) and wholly owned subsidiary of Antigenics and NDNE 9/90 Corporate Center LLC dated March 16, 2004. Filed herewith.
10.10	Consent to Assignment of Lease Agreement by and between Aquila Biopharmaceuticals, Inc., Antigenics Inc., a Massachusetts corporation and wholly owned subsidiary of Antigenics, and NDNE 9/90 Corporate Center LLC dated May 8, 2001. Filed herewith.
10.11	First Amendment to Consent to Sublease Agreement by and between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.) and wholly owned subsidiary of Antigenics, GTC Biotherapeutics, Inc., and NDNE 9/90 Corporate Center LLC dated March 16, 2004. Filed herewith.
10.12	Sublease Agreement between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.) and wholly owned subsidiary of Antigenics, and GTC Biotherapeutics, Inc. dated July 16, 2002. Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended June 30, 2002 and incorporated herein by reference.
10.12.1	First Amendment to Sublease Agreement between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.) and wholly owned subsidiary of Antigenics, and GTC Biotherapeutics, Inc. dated March 16, 2004. Filed as Exhibit 10.2 to our Current Report on Form 8-K (File No. 0-29089) dated March 17, 2004 and incorporated herein by reference.

Exhibit No.	Description
10.13	Leasehold Lease Agreement between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.) and wholly owned subsidiary of Antigenics, and GTC Biotherapeutics, Inc. dated July 19, 2002. Filed as Exhibit C of Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended June 30, 2002 and incorporated herein by reference.
10.13.1	First Amendment to Leasehold Lease Agreement between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.) and wholly owned subsidiary of Antigenics, and GTC Biotherapeutics, Inc. dated March 16, 2004. Filed as Exhibit B of Exhibit 10.2 to our Current Report on Form 8-K (File No. 0-29089) dated April 1, 2004 and incorporated herein by reference.
10.14	Side Letter between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.) and GTC Biotherapeutics, Inc. dated March 16, 2004. Filed herewith.
10.15	Antigenics Consent Agreement between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.), GTC Biotherapeutics, Inc., and General Electric Capital Corporation dated February 28, 2007. Filed herewith.
10.16	Sublease Agreement by and between Antigenics Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.) and PP Manufacturing, a Delaware corporation, dated March 16, 2004. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated March 17, 2004 and incorporated herein by reference.
10.17(1)	Exclusive License Agreement dated September 24, 1986, between Aronex Pharmaceuticals, Inc., (formerly Argus Pharmaceuticals Inc.), The University of Texas System Board of Regents and The University of Texas M.D. Anderson Cancer Center. Filed as Exhibit 10.8 to the registration statement on Form S-1 (File No. 333-47418) of Aronex Pharmaceuticals, Inc. and incorporated herein by reference.
10.18(1)	Exclusive License Agreement dated July 1, 1988, between Aronex Pharmaceuticals, Inc. (formerly Argus Pharmaceuticals Inc.), The University of Texas System Board of Regents and The University of Texas M.D. Anderson Cancer Center. Filed as Exhibit 10.10 to the registration statement on Form S-1 (File No. 333-47418) of Aronex Pharmaceuticals, Inc. and incorporated herein by reference.
10.18.1(1)	Amendments No. 1, 2, 3, 5, 6 and 7 to Exclusive License Agreement and Letter Agreement, dated July 18, 2005, among Aronex Pharmaceuticals, Inc. (formerly Argus Pharmaceuticals Inc.), The University of Texas System Board of Regents and The University of Texas M.D. Anderson Cancer Center. Filed herewith.
10.18.2(1)	Amendment No. 4 to Exclusive License Agreement, dated July 9, 1993, among Aronex Pharmaceuticals, Inc. (formerly Argus Pharmaceuticals Inc.), The University of Texas System Board of Regents and The University of Texas M.D. Anderson Cancer Center. Filed as Exhibit 10.20 to the registration statement on Form S-1 (File No. 333-71166) of Aronex Pharmaceuticals, Inc. and incorporated herein by reference.
10.19(1)	Amended and Restated License Agreement, dated September 1, 2003, between Antigenics Inc. and Sumitomo Pharmaceuticals Co., Ltd. Filed herewith.
10.20	Lease of Premises at 3 Forbes Road, Lexington, Massachusetts dated as of December 6, 2002 from BHX, LLC, as Trustee of 3 Forbes Realty Trust, to Antigenics. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated January 8, 2003 and incorporated herein by reference.
10.20.1	First Amendment of Lease dated as of August 15, 2003 from BHX, LLC as trustee of 3 Forbes Road Realty, to Antigenics Inc. Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended March 31, 2004 and incorporated herein by reference.

Exhibit No.	Description
10.20.2	Second Amendment of Lease dated as of March 7, 2007 from BHX, LLC as trustee of 3 Forbes Road Realty, to Antigenics Inc. Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended March 31, 2007 and incorporated herein by reference.
10.21*	Antigenics Inc. Directors' Deferred Compensation Plan, as amended. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated June 11, 2007 and incorporated herein by reference.
10.22(1)	License Agreement between the University of Connecticut Health Center and Antigenics Inc. dated May 25, 2001, as amended on March 18, 2003. Filed as Exhibit 10.2 to the Amendment No. 1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended March 31, 2003 and incorporated herein by reference.
10.23*	Employment Agreement dated February 20, 2007 between Antigenics Inc. and Shalini Sharp. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated February 20, 2007 and incorporated herein by reference.
10.24*	Employment Agreement dated February 20, 2007 between Antigenics Inc. and Kerry Wentworth. Filed as Exhibit 10.2 to our Current Report on Form 8-K (File No. 0-29089) dated February 20, 2007 and incorporated herein by reference.
10.25*	Employment Agreement dated July 26, 2004 between Antigenics Inc. and Roman Chicz. Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended March 31, 2005 and incorporated herein by reference.
10.25.1*	First Amendment to Employment Agreement dated July 26, 2004 between Antigenics Inc. and Roman Chicz. Filed as Exhibit 10.3 to our Current Report on Form 8-K (File No. 0-29089) dated December 7, 2005 and incorporated herein by reference.
10.26*	Employment Agreement dated December 1, 2005 between Antigenics Inc. and Garo Armen. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated December 7, 2005 and incorporated herein by reference.
10.27*	Executive Change of Control Plan. Filed as Exhibit 10.33 to our Annual Report on Form 10-K (File No. 0-29089) for the year ended December 31, 2005 and incorporated herein by reference.
10.28*	2004 Executive Incentive Plan. Filed herewith.
10.29*	Consulting Agreement dated March 28, 2006 between Antigenics Inc. and Pramod Srivastava. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated March 27, 2006 and incorporated herein by reference.
10.30(1)	License Agreement by and between Antigenics, Inc. and GlaxoSmithKline Biologicals SA dated July 6, 2006. Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended June 30, 2006 and incorporated herein by reference.
10.31(1)	Manufacturing Technology Transfer and Supply Agreement by and between Antigenics, Inc. and GlaxoSmithKline Biologicals SA dated July 6, 2006. Filed as Exhibit 10.2 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended June 30, 2006 and incorporated herein by reference.
10.32(1)	Binding Letter of Intent by and between Antigenics, Inc. and GlaxoSmithKline Biologicals SA dated July 6, 2007. Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended September 30, 2007 and incorporated herein by reference.
10.33	Standard Form of Loft Lease effective October 24, 2006 between 162 Fifth Avenue Associates LLC and Antigenics Inc. Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended September 30, 2006 and incorporated herein by reference.

Exhibit No.	Description
10.34	Form of the Johns Hopkins University Uniform Provisions for Board Service. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated September 13, 2006 and incorporated herein by reference.
10.35	License Agreement by and between Antigenics, Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.), Neuralab Limited, and Elan Pharmaceuticals, Inc. dated November 23, 1999. Filed as Exhibit 10.2 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended September 30, 2007 and incorporated herein by reference.
10.36	Supply Agreement by and between Antigenics, Inc., a Massachusetts corporation (formerly Aquila Biopharmaceuticals, Inc.), Neuralab Limited, and Elan Pharmaceuticals, Inc. dated November 23, 1999. Filed as Exhibit 10.3 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended September 30, 2007 and incorporated herein by reference.
10.37	Consent to Assignment and Guarantee of License and Supply Agreements by and between Antigenics Inc., Elan Corporation, plc, and Elan Pharma International Limited dated September 12, 2007. Filed as Exhibit 10.4 to our Quarterly Report on Form 10-Q (File No. 0-29089) for the quarter ended September 30, 2007 and incorporated herein by reference.
10.38	Securities Purchase Agreement by and between Antigenics Inc. and the investors identified on Schedule I attached to the agreement, dated January 9, 2008. Filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089) dated January 9, 2008 and incorporated herein by reference.
21	Subsidiaries of Antigenics. Filed as Exhibit 21 to our Annual Report on Form 10-K (File No. 0-29089) for the year ended December 31, 2004 and incorporated herein by reference.
23	Consent of KPMG LLP, independent registered public accounting firm. Filed herewith.
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended. Filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended. Filed herewith.
32.1(2)	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Submitted herewith.

* Indicates a management contract or compensatory plan.

(1) Certain confidential material contained in the document has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended or Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(2) This certification accompanies the Annual Report on Form 10-K and is not filed as part of it.

SIGNATURES

Pursuant to the requirements 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.

ANTIGENICS INC.

By: /s/ GARO H. ARMEN, PH.D.
Garo H. Armen, Ph.D.
Chief Executive Officer and Chairman of the Board

Dated: March 14, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated as of March 14, 2008.

Signature	Title
/s/ GARO H. ARMEN, PH.D. **Garo H. Armen, Ph.D.**	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
/s/ SHALINI SHARP **Shalini Sharp**	Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ CHRISTINE M. KLASKIN **Christine M. Klaskin**	Vice President, Finance (Principal Accounting Officer)
/s/ BRIAN CORVESE **Brian Corvese**	Director
/s/ TOM DECHAENE **Tom Dechaene**	Director
/s/ MARGARET EISEN **Margaret Eisen**	Director
/s/ JOHN HATSOPOULOS **John Hatsopoulos**	Director
/s/ WADIH JORDAN **Wadih Jordan**	Director
/s/ HYAM I. LEVITSKY, MD **Hyam I. Levitsky, MD**	Director
/s/ PETER THORNTON **Peter Thornton**	Director
/s/ TIMOTHY R. WRIGHT **Timothy R. Wright**	Director

Exhibit 10.1.5

[insert name]
Name of Employee[1]

ANTIGENICS INC.
1999 Equity Incentive Plan, as amended

Restricted Stock Award Agreement

Antigenics Inc.
162 Fifth Avenue, Suite 900
New York, NY 10010

Attn: John Cerio

Ladies and Gentlemen:

The undersigned (i) acknowledges that [he/she] has received an award (the "Award") of restricted stock from Antigenics Inc., a Delaware Corporation (the "Company") under the 1999 Equity Incentive Plan, as amended (the "Plan"), subject to the terms set forth below and in the Plan; (ii) further acknowledges receipt of a copy of the Plan as in effect on the date hereof, and a current prospectus relating to the Plan, and (iii) agrees with the Company as follows:

1. *Effective Date*. This Agreement shall take effect as of _____, which is the date of grant of the Award (the "Award Grant Date").

2. *Shares Subject to Award*. The Award consists of _____ shares (the "Shares") of common stock of the Company ("Stock"). The undersigned's rights to the Shares are subject to the restrictions described in this Agreement and the Plan (which is incorporated herein by reference with the same effect as if set forth herein in full) in addition to such other restrictions, if any, as may be imposed by law.

3. *Meaning of Certain Terms*. Except as otherwise expressly provided, all terms used herein shall have the same meaning as in the Plan. The term "vest" as used herein with respect to any Share means the lapsing of the restrictions described herein with respect to such Share.

4. *Non-solicitation*. The undersigned acknowledges and agrees that, in consideration for the grant of the Award, commencing on the effective date of this Agreement and continuing for twelve (12) months after [his/her] employment with the Company terminates, [he/she] agrees not to, directly or indirectly recruit or otherwise solicit or induce any employees of the Company or any of its subsidiaries or affiliates to terminate their employment with, or otherwise cease their relationships with, the Company or any of its subsidiaries or affiliates.

The undersigned acknowledges and agrees that the restrictions against solicitation set forth above are reasonable for the purposes of protecting the business of the Company. However, if any such restriction is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic areas as to which it may be enforceable.

5. *Non-transferability of Shares*. The Shares acquired by the undersigned pursuant to this Agreement shall not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of except as provided below and in the Plan.

6. *Forfeiture Risk*. If the undersigned ceases to be employed by the Company and its subsidiaries for any reason, including death, any then outstanding and unvested Shares acquired by the undersigned hereunder shall be automatically and immediately forfeited. The undersigned hereby (i) appoints the Company as the attorney-in-fact of the undersigned to take such actions as may be necessary or appropriate to effectuate a transfer of the record ownership of any such shares that are unvested and forfeited hereunder, (ii) agrees to deliver to the Company, as a precondition to the issuance of any certificate or certificates with respect to unvested Shares hereunder, one or more stock powers, endorsed in blank, with respect to such Shares, and (iii) agrees to sign such other powers and take such other actions as the Company may reasonably request to accomplish the transfer or forfeiture of any unvested Shares that are forfeited hereunder.

7. *Retention of Certificates*. Any certificates representing unvested Shares shall be held by the Company. If unvested Shares are held in book entry form, the undersigned agrees that the Company may give stop transfer instructions to the depository to ensure compliance with the provisions hereof.

8. *Vesting of Shares*. The shares acquired hereunder shall vest in accordance with the provisions of this Paragraph 8 and applicable provisions of the Plan, as follows:

Notwithstanding the foregoing, no shares shall vest on any vesting date specified above unless the undersigned is then, and since the date of grant has continuously been, employed by the Company or its subsidiaries. In the event of a Change in Control, the Committee may require that any amounts delivered, exchanged or otherwise paid in respect of outstanding and then unvested Shares be placed in escrow or otherwise made subject to such restrictions as the Committee deems appropriate to carry out the intent of the Plan. References in this Agreement to the Shares shall refer, *mutatis mutandis*, to any such restricted amounts.

9. *Legend*. Any certificates representing unvested Shares shall be held by the Company, and any such certificate shall contain a legend substantially in the following form:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) OF 1999 EQUITY INCENTIVE PLAN (AS AMENDED) AND A RESTRICTED STOCK AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND ANTIGENICS INC. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE IN THE OFFICES OF ANTIGENICS INC.

As soon as practicable following the vesting of any such Shares the Company shall cause a certificate or certificates covering such Shares, without the aforesaid legend, to be issued and delivered to the undersigned. If any Shares are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record and manifest the restrictions applicable to such Shares.

10. *Dividends, etc.*. The undersigned shall be entitled to (i) receive any and all dividends or other distributions paid with respect to those Shares of which **[he/she]** is the record owner on the record date for such dividend or other distribution, and (ii) vote any Shares of which **[he/she]** is the record owner on the record date for such vote; *provided, however*, that any property (other than cash) distributed with respect to a share of Stock (the "associated share") acquired hereunder, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, or a distribution of other securities with respect to an associated share, shall be subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to such restrictions, and shall be promptly forfeited if and when the associated share is so forfeited; *and further provided*, that the Committee may require that any cash distribution with respect to the Shares other than a normal cash dividend be placed in escrow or otherwise made subject to such restrictions as the Committee deems appropriate to carry out the intent of the Plan. References in this Agreement to the Shares shall refer, *mutatis mutandis*, to any such restricted amounts.

11. *Sale of Vested Shares*. The undersigned understands that **[he/she]** will be free to sell any Share once it has vested, subject to (i) satisfaction of any applicable tax withholding requirements with respect to the vesting or transfer of such Share; (ii) the completion of any administrative steps (for example, but without limitation, the transfer of certificates) that the Company may reasonably impose; and (iii) applicable requirements of federal and state securities laws.

12. *Certain Tax Matters*. The undersigned expressly acknowledges the following:

a. The undersigned has been advised to confer promptly with a professional tax advisor to consider whether the undersigned should make a so-called "83(b) election" with respect to the Shares. Any such election, to be effective, must be made in accordance with applicable regulations and within thirty (30) days following the date of this Award. The Company has made no recommendation to the undersigned with respect to the advisability of making such an election.

b. The award or vesting of the Shares acquired hereunder, and the payment of dividends with respect to such Shares, may give rise to "wages" subject to withholding. The undersigned expressly acknowledges and agrees that **[his/her]** rights hereunder are subject to **[his/her]** promptly paying to the Company in cash (or by such other means as may be acceptable to the Company in its discretion, including, if the Committee so determines, by the delivery of previously acquired Stock or shares of Stock acquired hereunder or by the withholding of amounts from any payment hereunder) all taxes required to be withheld in connection with such award, vesting or payment.

Very truly yours,

_____

(Signature of Employee)

Dated: **[Insert Date]**

The foregoing Restricted Stock
Award Agreement is hereby accepted:

ANTIGENICS INC.

By _____

Exhibit 10.4

SCHEDULE TO INDEMNIFICATION AGREEMENT

The following is a list of the current and former directors and executive officers of Antigenics who are party to an Indemnification Agreement, the form of which was filed as Exhibit 10.4 to our registration statement on Form S-1 (File No. 333-91747):

Garo H. Armen, Ph.D.
Noubar Afeyan, Ph.D.
Frank V. AtLee III
Gamil G. de Chadarevian
Brian Corvese
Tom Dechaene
Margaret Eisen
Renu Gupta, MD
John Hatsopoulos
Wadih Jordan
Mark Kessel
Christine Klaskin
Bruce Leicher
Hyam Levitsky, MD
Deanna Petersen
Shalini Sharp
Pramod K. Srivastava, Ph.D.
Peter Thornton
Karen Higgins Valentine
Kerry Wentworth
Alastair Wood, MD
Timothy R. Wright

Exhibit 10.9.6

SIXTH AMENDMENT TO LEASE

THIS SIXTH AMENDMENT TO LEASE (the "Sixth Amendment") is made as of this 16th day of March, 2004, by and between NDNE 9/90 CORPORATE CENTER LLC, a Massachusetts limited liability company, having an address c/o National Development, 2310 Washington Street, Newton Lower Falls, Massachusetts 02462 (the "Landlord") and ANTIGENICS INC., a Massachusetts corporation, having an address at 630 Fifth Avenue, New York, New York 10111 (the "Tenant").

W I T N E S S E T H:

WHEREAS, the Landlord and the Tenant (as Tenant is successor in interest to Aquila Biopharmaceuticals, Inc.) are the Landlord and Tenant under that certain Lease dated as of September 19, 1997, as amended by that certain First Amendment to Lease ("First Amendment") dated December 17, 1997, as further amended by that certain Second Amendment to Lease ("Second Amendment") dated as of January 14, 1998, as further amended by that certain Third Amendment to Lease ("Third Amendment") dated as of February 3, 1998, as further amended by that certain Fourth Amendment to Lease ("Fourth Amendment") dated as of February 27, 1998, as further Amended by that certain Fifth Amendment to Lease ("Fifth Amendment") dated as of March 13, 1998 and as affected by that certain Consent to Assignment of Lease ("Consent") dated May 8, 2001 (the Lease as so amended and affected by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and the Consent is hereinafter called the "Lease") which relates to space in the Building (as said term is defined in the Lease) comprised of approximately 41,020 rentable square feet located on the 1st, 2nd and 3rd floors of the Building (the "Original Premises"); and

WHEREAS, Tenant has requested Landlord's approval to sublease a portion of the Premises to PP Manufacturing Corp. (the "PPM Sublease") and to modify an existing sublease with GTC Biotherapeutics, Inc. (such sublease as amended is hereinafter called the "GTC Sublease") and, in connection therewith, Tenant is willing to amend the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing premises and the sum of Ten ($10.00) Dollars and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Landlord and the Tenant do hereby covenant and agree as follows:

1. Commencement Date; Expiration Date. Landlord and Tenant agree that the Commencement Date of the Lease was September 9, 1998 and that although the day immediately preceding the 12th anniversary of the Commencement Date would be September 8, 2010, nevertheless, Landlord and Tenant agree that the Term shall extend for the period (the "Final Stub Period") through the last day of such month, namely, September 30, 2010, and Tenant shall pay Annual Rent for the Final Stub Period at the same rate otherwise applicable to the last Lease Year of the Term, appropriately prorated for the Final Stub Period.

2. Tenant's Removable Property. Notwithstanding anything contained in Section 9.8 or any other provision of the Lease to the contrary, Tenant shall not, upon expiration or earlier termination of the Lease (or at any time prior thereto), remove any of the "Landlord Retained Property" (as said term is hereinafter defined) and, upon expiration or earlier termination of the Lease, Tenant shall surrender the Landlord Retained Property to Landlord free of all liens, security interests, mortgages, pledges and other encumbrances and such Landlord Retained Property shall automatically become the property of Landlord upon expiration or earlier termination of the Lease. Upon request of Landlord, from time to time, Tenant agrees to consult with Landlord concerning the utility and application of the various parts of Tenant's Removable Property (including, without limitation, the equipment described in Exhibit A attached hereto) in relation to the provision and distribution of HVAC, electric, gas, water, tel/data, monitoring and other services (collectively "Premises Services") to various parts of the Premises and/or various subtenants and occupants of any part of the Premises, as well as future users and occupants of any part of the Premises. Tenant shall not be required to remove any property or equipment included within the Landlord's Retained Property upon expiration or earlier termination of the Lease. As used herein, the term "Landlord's Retained Property" means any part of Tenant's Removable Property which Landlord may hereafter elect to retain which is either (1) listed on Exhibit A attached hereto and incorporated herein by reference thereto and any replacements thereof and additions thereto or (2) constitutes part of the Premises Systems (as said term is hereinafter defined) or any replacement thereof and additions thereto. As used herein, the term "Premises Systems" means all equipment and related distribution systems and equipment used to generate, produce, provide, transmit, monitor, regulate, measure or maintain any Premises Services, and all replacements and additions thereto. The Landlord Retained Property may not include any other equipment or personal property of Tenant or subtenant, including, without limitation thereto, office and laboratory furniture, demountable partitions, office and laboratory supplies, standard office and laboratory equipment, including Xerox machines, fax machines, computers (except any computers which control or regulate or are required to monitor or operate any HVAC, gas, electric, water or other utilities or services which are required to be provided under the GTC Lease) and Tenant's inventory (but notwithstanding the foregoing, the Landlord Retained Property may include any matter described on Exhibit A attached hereto as well as any matter included within Premises Systems, and all additions thereto and replacements thereof). Upon request of Landlord, Tenant shall provide Landlord a confirmatory bill of sale for all of Landlord's Retained Equipment. Tenant represents and warrants that all of the Tenant's Removable Property is presently owned by Tenant free and clear of all liens, mortgages, security interests and other encumbrances. Any transfer of all or any part of the Tenant's Removable Property to PP Manufacturing Corporation or any affiliate thereof or any other subtenant or party shall be expressly subject to the provisions hereof and Landlord's rights to the Landlord Retained Property.

3. Take Back Option. The second sentence from the end of Section 9.13(c) which reads as follows: "If Landlord exercises the Take Back Option, Landlord shall pay to Tenant the unamortized value of the tenant improvements located within the Premises" is hereby deleted.

4. Amendments to Section 13.8 (which Section 13.8 is entitled "Security Deposit").

(a) The beginning of the first sentence of the first grammatical paragraph of Section 13.8 of the Lease which reads as follows: "In order to provide security against Tenant's default under Section 11.1 (a) of the Lease (a "Monetary Default")" is hereby deleted, and the following is substituted therefor: "In order to provide security against the failure of Tenant to pay Annual Fixed Rent, Additional Rent or any other sum which Landlord may expend or be entitled to the payment of, by reason of any failure of Tenant to pay, perform or observe any term, covenant, condition or provision of this Lease, including, without limitation, any late charges, interest payments or any damages or deficiencies in the reletting of the Premises whether said damages or deficiency occurred before or after termination of this Lease and also to pay any and all other sums, amounts and obligations due under Section 11 of this Lease (collectively a "Monetary Default", but it is expressly understood and agreed that for purposes of this Section 13.8, a Monetary Default shall be deemed to have occurred without any requirement for giving any written or other form of notice under any provision of the Lease.")

(b) The first sentence of the second grammatical paragraph of Section 13.8 which reads as follows: "Tenant shall have the right to call upon Landlord to apply all or any part of the Security Deposit to cure any Monetary Default." is hereby deleted and the portion of the second sentence of such second grammatical paragraph of Section 13.8 (which second sentence begins with "If all or any part of the Security Deposit") which reads as follows: "and notwithstanding the occurrence of a Monetary Default, Tenant shall not be deemed in default hereunder unless and until Tenant shall fail to restore the amount of the Security Deposit." is also hereby deleted. Further, it is expressly understood and agreed that (a) Landlord shall have no obligation to apply the Security Deposit (whether in the form of a Letter of Credit or Cash or otherwise) to cure any Monetary Default, (b) the liability of the Tenant under the Lease is not limited to the amount of the Security Deposit (whether Cash or Letter of Credit) and (c) for purposes of Section 13.8, in no event shall Landlord be required to give any notice of default, or other notice, written or otherwise, under Section 11.1 of the Lease (or under any other provision of this Lease) in order to draw upon the Letter or Cash held by Landlord under Section 13.8 of the Lease.

(c) The second sentence of the fourth grammatical paragraph of Section 13.8 (which fourth grammatical paragraph begins with "The Letter shall be addressed") which second sentence reads as follows: "In the event of a Monetary Default by Tenant under this Lease, Landlord may draw upon an amount necessary to cure the Monetary Default upon certification by Landlord to the Issuer that Landlord is entitled to apply all or any part of the proceeds of the Letter to the extent required to cure the Monetary Default." is hereby deleted and the following is substituted therefor:

"It is agreed and understood that Landlord may present for payment and draw upon the Letter and Landlord may use, apply or retain the whole or any part of the amounts available to be drawn under the Letter to the extent required for the payment of any Annual Fixed Rent, Additional Rent or any other sum which Landlord may expend or be entitled to the payment of, by reason of any failure of Tenant to pay, perform or observe any term, covenant, condition or provision of this Lease, including, without limitation, any late charges, interest payments or any damages or deficiencies in the reletting of the Premises whether said damages or deficiency occurred before or after termination of this Lease and also to any and all other sums, amounts and

obligations due under Section 11 of this Lease (which Section 11 is entitled "Default") and, without limiting the generality of the foregoing, in no event shall Landlord be required to give any notice, written or otherwise, as may otherwise be required by any other provision of the Lease in order to draw upon or apply the Letter or the Cash under Section 13.8. Any Cash Security Deposit may also be used and applied for the same purposes as are set forth in the previous sentence."

(d) The first sentence of the fifth grammatical paragraph of Section 13.8 which reads as follows: "In the event of any Monetary Default by Tenant under this Lease, Landlord shall provide Tenant with two (2) Business Days written notice prior to drawing down on the Letter." is hereby deleted, it being understood that written notice need not be provided to Tenant prior to drawing down on the Letter.

(e) The following words appearing at the beginning of the second full sentence of the fifth grammatical paragraph of Section 13.8 are hereby deleted: "In the event of any Monetary Default by Tenant under this Lease,".

(f) The fifth sentence of the fifth grammatical paragraph of Section 13.8 (which fifth sentence reads as follows: "If, on or before the sixtieth (60th) day prior to the expiration date of a Letter, Tenant shall have failed to deliver to Landlord an original fully executed renewal or extension of the Letter (or a substitute letter of credit from an Approved Issuer), in each case, having a term of at least one year and such failure shall continue for more than ten (10) days after Landlord has given Tenant notice of such failure, Landlord, at its option, may, but shall not be required to without further notice to Tenant, draw down upon the Letter in its entirety in which event Landlord may, in addition to all other rights and remedies which it may have on account of such default, treat all sums drawn under such Letter as a Cash Security Deposit governed by and to be applied and/or retained by Landlord pursuant to the provisions of this paragraph." is hereby deleted and the following is substituted therefor:

"Upon (i) receiving notice of cancellation or non-renewal of the Letter (or any substitute letter of credit from an Approved Issuer) or (ii) failure of Tenant to deliver to Landlord an original fully executed renewal or extension of the Letter (or a substitute letter of credit from an Approved Issuer which otherwise complies with the terms of this Section 13.8), in each case, having a term of at least one (1) additional year beyond the then applicable expiration or renewal date of the expiring Letter, all on or before the sixtieth (60th) day prior to the expiration or renewal date of the Expiring Letter and, in any such case, whether or not Tenant shall then be in default in the payment, performance or observance of any term, covenant or provision of this Lease, Landlord shall be entitled to, without notice to Tenant, present, draw upon and retain the entire amount of the Letter and, upon so doing, Landlord shall be entitled to use, apply and/or retain the proceeds of such payment (the "Non Renewal LC Proceeds") to the extent required for the payment of any Annual Fixed Rent, Additional Rent or any other sum which Landlord may expend or be entitled to the payment of, by reason of any failure of Tenant to pay, perform or observe any term, covenant or condition of this Lease, including, without limitation, any late charges, interest payments or any damages or deficiency in the reletting of the Premises whether said damages or deficiency occurred before or after termination of the Lease and, also, to any

other sums, amounts and obligations due under Section 11 of the Lease (which Section 11 is entitled "Default") and, without limiting the generality of the foregoing, in no event shall Landlord be required to give any notice, written or otherwise, as may otherwise be required by any other provision of the Lease in order to draw upon or apply the Letter or the Cash under Section 13.8."

5. Broker. Tenant warrants and represents that Tenant has dealt with no broker in connection with the consummation of this Sixth Amendment and, in the event of any brokerage claims against Landlord predicated upon prior dealings with Tenant, Tenant agrees to defend the same and indemnify Landlord against any such claim including, without limitation, attorneys fees sustained by Landlord in defense of or in connection with any such claim. The provisions of this paragraph 5 shall survive expiration or earlier termination of the Lease.

6. Extension Option; Right of First Offer. Exhibit G to the Lease entitled "Options to Extend" and "Right of First Offer" and Exhibit J to the Lease entitled "Plan of First Offer Space" are hereby deleted from the Lease in their entirety and Tenant shall have no right to extend the Term nor any Rights of First Offer with respect to any space in the Building.

7. Name Correction: The Lease previously incorrectly identified the Tenant as "Antigenic, Inc.". There is no comma in the Tenant's name after "Antigenics" and the correct name of the Tenant is as set forth in this Sixth Amendment.

8. Revision to Letter of Credit. Within thirty (30) days of the date of execution and delivery of this Sixth Amendment, Tenant agrees to deliver to Landlord the following revision to the Letter of Credit presently being held by Landlord pursuant to Section 13.8 of the Lease, all of which shall be in form and substance satisfactory to Landlord: Paragraph 1 of the Letter of Credit shall be amended to read as follows:

"1. Beneficiary's Written Statement on Beneficiary's letterhead signed by a purported authorized signatory of NDNE 9/ 90 Corporate Center LLC stating: "Under the terms and conditions of the Lease Agreement dated September 19, 1997 between Aquila Biopharmaceuticals, Inc. ("Aquila") (Antigenics Inc. having succeeded to Aquila's interest as Tenant under such lease) and NDNE 9/ 90 Corporate Center LLC, as such Lease may have been transferred, assigned and amended from time to time, we axe entitled to draw upon this Letter of Credit USD _____being the amount due to us.".

The revision to the aforesaid Letter of Credit shall be in form and substance satisfactory to Landlord and shall also acknowledge that (a) the correct name of the present Tenant under the Lease as amended and assigned through the date hereof is Antigenics Inc. and (b) all references in the Letter of Credit and in any assignment or amendment to the Lease or other instruments affecting the Lease to "Antigenics, Inc." shall be construed to mean "Antigenics Inc."

9. Except as amended by this Sixth Amendment, all the terms, provisions, covenants, agreements, conditions, representations and warranties contained in the Lease are hereby affirmed and ratified.

[Remainder of page intentionally left blank. Signatures appear on next following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Sixth Amendment to Lease to be duly executed as of the day and year first above written.

Landlord: NDNE 9/90 CORPORATE CENTER LLC

By: NDNE 9/90, Inc.
Its: Manager

By: /s/ [Illegible]
Its: Exec VP

Tenant: ANTIGENICS INC.

By: /s/ Jeff Clark
Its: CFO

NDNE 108
March 10, 2004

Exhibit A

List of Part of Tenant's Property which Qualifies for
Inclusion in Landlord's Retained Property

USP Purified Water Generation and Distribution System
Compressed Air Generation and Distribution System
Chilled Water Generation and Distribution System
Clean Steam Generation and Distribution System
Steam Boilers
Humidity Boiler
Electric Steam Boiler
High pressure Heating Boiler
Liquid Waste Neutralization System
Bio-kill Heat Inactivation System
Air Handlers 1, 2, 3, 4, 5
Autoclave #5 Room 215
Depyrogenation Oven Room 215
Solvent Delivery System
Building Monitoring System (software and 2 computers)
Room 223 Walk-in cold box rooms (3)
Room 230 QC cold room
Integral Diaphragm pump/filtration system

Any replacement or addition to the foregoing.

Exhibit 10.10

CONSENT TO ASSIGNMENT OF LEASE

WHEREAS, NDNE 9/90 Corporate Center LLC ("Landlord") and Aquila Biopharmaceuticals, Inc. ("Assignor") have heretofore entered into (i) that certain Lease Agreement dated September 19, 1997 as amended by First Amendment of Lease dated the 17th day of December, 1997, Second Amendment of Lease dated the 14th day of January, 1998, Third Amendment of Lease dated the 3rd day of February, 1998, that Fourth Amendment of Lease dated the 27th day of February, 1998 and Fifth Amendment of Lease dated the 13th day of March, 1998 (said Lease Agreement as so amended is hereafter the "Lease") with respect to certain space located in a building (the "Building") known as 175 Crossing Boulevard, Framingham, MA;

WHEREAS, all of the stock and other indicia of ownership of Assignor has been acquired by Antigenics, Inc., a Delaware corporation (A-Delaware) the result of which is that Assignor is now a wholly owned subsidiary of A-Delaware;

WHEREAS, A-Delaware as the owner of all of the stock and other indicia of ownership of Assignor has proposed a merger (the "Merger") by and between Assignor and Antigenics, Inc. a Massachusetts corporation ("Assignee"), which is also a wholly owned subsidiary of A-Delaware pursuant to which Merger, Assignee will be the surviving entity;

WHEREAS, pursuant to the Lease, the result of the Merger will be an assignment of the Lease by Assignor to Assignee whereby Assignee will be the "Tenant" under the Lease;

WHEREAS, Assignor and Assignee have requested that Landlord consent to the assignment and assumption of all rights and obligations of Assignor under the Lease to and by Assignee in connection with the Merger (the "Assignment");

NOW, THEREFORE, the undersigned does hereby consent to the Assignment by and between Assignor and Assignee, by the terms of which, among other matters, Assignor assigns to Assignee all of its right, title and interest as Tenant under the Lease and Assignee assumes and agrees to perform to and for the benefit of Landlord and its successors and assigns all of the terms, covenants and agreements to be performed or observed by the "Tenant" under the Lease as if the Assignee were the "Tenant" originally named in the Lease upon and subject to the following representations, terms and conditions:

1. As a condition to the effectiveness hereof, Landlord shall be furnished with a counterpart of this instrument duly executed by Assignor and Assignee acknowledging the accuracy of their respective representations contained and their acceptance of the conditions herein set forth.

2. This instrument shall not:

(a) be construed to modify, waive or affect any of the terms, covenants or conditions of the Lease nor any of Assignor's nor Assignee's obligations under the Lease nor to waive any breach thereof; and;

(b) be construed to enlarge or increase Landlord's obligations under the Lease.

3. This Consent shall not be assignable.

4. Neither the Assignment nor the consent of the Landlord thereto nor any acceptance of rent by Landlord from Assignee shall release or discharge Assignor from any liability under the Lease and Assignor, to the extent Assignor in any way continues its legal existence shall remain jointly and severally liable with Assignee and responsible for the full payment, performance and observance of all the terms, covenants and conditions contained in the Lease on the part of Assignor to be performed and observed thereunder as if the Assignment and this Consent had never been made and entered into. Nothing contained herein shall be deemed or construed to release Assignee from any of its obligations under the Lease as hereafter provided. Assignee hereby (i) recognizes and agrees to attorn to Landlord and its successors and assigns as the Landlord under the Lease and (ii) agrees to be bound by and shall perform to and for the benefit of the Landlord (and Landlord's successors and assigns) all of the terms, covenants, conditions and agreements to be performed or observed by the "Tenant" under the Lease as if the Assignee were the "Tenant" originally named in the Lease including, without limitation, the payment of all payments of Annual Fixed Rent and Additional Rent payable to the Landlord under the Lease.

5. The consent by Landlord to the Assignment shall not be construed as a consent by Landlord to further assignment of the Lease nor any subletting by Assignee of the Premises, or any part thereof (not previously consented to by Landlord). Neither the Assignment nor any of the rights, privileges or obligations thereunder shall be assigned, modified, renewed or extended, nor shall the Premises, or any part thereof, be sublet or occupied by others.

6. The consent herein granted shall not be deemed to be a waiver by Landlord of any uncollected or unbilled rentals or other charges that may be due or payable by Assignor or Assignee under the Lease.

7. In the event that there shall be any conflict between the terms, covenants and conditions of this Consent and the terms, covenants and conditions of any agreement by and between Assignor and Assignee regarding the Assignment, then the terms, covenants and conditions of this Consent shall prevail in each instance and any conflicting terms, covenants or conditions of the Assignment shall be modified to conform with the terms, covenants and conditions of this Consent, but only as they pertain to the Landlord, the Lease or this Consent.

8. Assignor and Assignee each hereby agree to indemnify and hold Landlord harmless from and against any and all claims, costs or damages sustained or incurred by Landlord as the result of any claim by any party that they are entitled to a commission or broker's fee in connection with this Consent or the Assignment. The indemnity contained therein shall include, without limitation, all attorneys fees and expenses incurred by Landlord in connection with any such claim.

9. As a material inducement to Landlord in executing and delivering this Consent and as a condition to the effectiveness of the Consent herein granted, Assignor and Assignee represent and warrant to Landlord as follows (which representations and warranties shall survive the Merger and the Assignment):

A. Upon completion of the Merger and the Assignment, Assignee shall have a net worth not less than the net worth of Assignor immediately prior to the Merger and the Assignment;

B. Upon completion of the Merger and the Assignment, Assignee shall deliver to Landlord a Certificate of Legal Existence as to the existence of Assignee together with all Articles of Merger and/or consolidation or other documentation filed with the Secretary of State of Massachusetts and/or the Secretary of State of Delaware in connection with the Merger; and

C. From and after the date hereof, all notices given to the "Tenant" under the Lease shall be delivered to the Assignee at the following address:

Antigenics, Inc.
630 Fifth Avenue, Suite 2100
New York, New York 10111
Attn: Garo H. Armen PhD., President

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the date written below.

Dated: May 8, 2001

LANDLORD:

NDNE 9/90 Corporate Center LLC

By: NDNE 9/90, Inc.
Its: Manager

By: /s/ [Illegible]

Its: Exec VP

Agreed to:

ASSIGNOR:

Aquila Biopharmaceuticals, Inc.

By: /s/ Garo H. Armen

Its: President & CEO

ASSIGNEE:
Antigenics, Inc., a Massachusetts corporation and survivor by way of Merger as the result of the Merger between Aquila Biopharmaceuticals, Inc. and Antigenics, Inc., a Massachusetts corporation

By: /s/ Garo H. Armen

Its: President

NDNE 87

[Floor plan graphic omitted as not material to investors.]

[Floor plan graphic omitted as not material to investors.]

EXHIBIT C – Central Corridor Area

[Floor plan graphic omitted as not material to investors.]

Exhibit 10.11

FIRST AMENDMENT TO
CONSENT TO SUBLEASE

THIS FIRST AMENDMENT TO CONSENT TO SUBLEASE ("First Amendment") dated as of March 16, 2004, is made by and between Antigenics Inc., a Massachusetts corporation having an address of 34 Commerce Way, Woburn, MA 01801, a wholly owned subsidiary of Antigenics Inc., a Delaware corporation formerly known as Aquila Biopharmaceuticals, Inc. ("Sublandlord"), GTC Biotherapeutics, Inc., a Massachusetts corporation having an address at 175 Crossing Boulevard, Suite 410, Framingham, MA 01702 ("Subtenant") and NDNE 9/90 Corporate Center LLC, a Massachusetts limited liability company, having an address c/o National Development, 2310 Washington Street, Newton Lower Falls, MA 02462 ("Overlandlord") with respect to the following facts:

A. Overlandlord and Sublandlord are the parties to that certain Lease dated as of September 19, 1997, as amended by (i) that certain First Amendment to Lease ("First Amendment") dated December 17, 1997, (ii) that certain Second Amendment to Lease ("Second Amendment") dated as of January 14, 1998, (iii) that certain Third Amendment to Lease ("Third Amendment") dated February 3, 1998, (iv) that certain Fourth Amendment to Lease ("Fourth Amendment") dated February 27, 1998, (v) that certain Fifth Amendment to Lease ("Fifth Amendment") dated as of March 13, 1998 and (vi) that certain Sixth Amendment to Lease ("Sixth Amendment") dated as of March 16, 2004 and as affected by that certain Consent to Assignment of Lease ("Consent") dated May 8, 2001 (said Lease as amended and affected by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment and the Consent is hereafter the "Original Overlease") pertaining to certain space comprised of approximately 41,020 rentable square feet rentable square feet located on the 1st, 2nd and 3rd floor(s) (the "Premises") of a building owned by Overlandlord and known as and numbered 175 Crossing Boulevard, Framingham, Massachusetts (the "Building");

B. Sublandlord and Subtenant are parties to that certain Sublease Agreement (the "Original Sublease") dated July 16, 2002 relating to a part of the Premises under the Original Lease;

C. Overlandlord consented to the Original Sublease in accordance with and subject to the terms and provisions of that certain Consent To Sublease (the "Original Consent" which term includes the General Conditions (the "Original General Conditions") as defined therein) dated July 16, 2002. "). All references in this First Amendment to the General Conditions shall mean the Original General Conditions as modified by this First Amendment.

D. The Original Overlease provides, inter alia, that Sublandlord may not enter into any sublease without Overlandlord's prior written approval and the Original Consent provides, inter alia, that the Sublandlord and Subtenant may not amend the Original Sublease or the Antigenics Leasehold Lease (as such term is used in the Original Sublease and which is hereinafter called the "Original Leasehold Lease") without the Overlandlord's consent; and

E. Sublandlord has requested that Overlandlord consent to a second sublease (the "PPM Sublease") with PP Manufacturing Corporation ("PPM") and the space covered under the PPM Sublease includes the so-called "Tertiary Space" which Subtenant has the right to sublease under the Sublease. The space (the "PPM Sublease Space") included under the PPM Sublease represents the balance of the Premises leased under the Original Overlease and includes HVAC, electric, gas, water and other equipment which serves the premises subleased by Subtenant under the Original Sublease. The PPM Sublease Space also includes the utility/maintenance room (i.e. the Utility Room as defined in the First Amendment to Sublease, as such term is hereinafter defined), the Utility Systems (as defined in the Sublease) which serve the space under the Sublease (as said term is hereinafter defined).

F. Concurrently herewith, Sublandlord and Subtenant are entering into a First Amendment to Sublease (the "First Amendment to Sublease"), a copy of which is attached hereto as Exhibit A-l (the Original Sublease, as amended by the First Amendment to Sublease is hereinafter called the "Sublease") and a First Amendment to Leasehold Lease (the "Leasehold Lease First Amendment"), a copy of which is attached hereto as Exhibit A-1 (the Original Leasehold Lease as amended by the Leasehold Lease First Amendment is hereinafter called the "Leasehold Lease"). The premises subleased to Subtenant under the Sublease by virtue of the First Amendment to Sublease excludes the Tertiary Space from the premises under the Original Sublease and the premises leased under the resulting Sublease is hereinafter called the "Sublease Premises".

G. In connection with the foregoing, the Overlandlord and Sublandlord are entering into the Sixth Amendment.

H. Sublandlord and Subtenant have presented the fully executed First Amendment to Sublease and the Leasehold Lease First Amendment to Overlandlord for Overlandlord's review and approval.

Agreements

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

Amendments To The Original Consent
Exclusive Of The Original General Conditions

1. Overlandlord hereby consents to the execution and delivery of the First Amendment to Sublease and the Leasehold Lease First Amendment upon, and subject to, the terms and conditions set forth in the Original Consent, as modified by this First Amendment (the Original Consent, as modified by this First Amendment is hereinafter referred to as the "Consent").

2. Sublandlord and Subtenant hereby acknowledge receipt of this First Amendment and further acknowledge that Overlandlord's consent contained herein is subject to such Consent (including, without limitation, this First Amendment) and to all of the other terms of the Consent, and that in the event of a conflict between (a) the Consent (including, without limitation, this First Amendment) and (b) the Sublease or any other agreement by and between Sublandlord and Subtenant including, without limitation, the Leasehold Lease, the Consent, including, without limitation, this First Amendment, shall control.

3. Paragraph 3 appearing on Page 2 of the Original Consent (such Paragraph 3 begins "Notwithstanding anything contained in the Sublease to the contrary" is hereby deleted and the following is substituted therefor: "Notwithstanding anything contained in the Sublease or the Original Consent to the contrary, as a result of the subletting of the Subleased Premises to Subtenant and the Additional Rent payable under the Sublease as the result of the Leasehold Lease, Overlandlord is entitled to receive the amounts (the "Sublease Overages") set forth in Exhibit B to this First Amendment from Sublandlord pursuant to the last sentence of Section 9.13(a) of the Overlease. Such Sublease Overage is considered Additional Rent under the Overlease and shall be paid by Sublandlord to Overlandlord as Additional Rent under the Overlease on or before the first (1st) day of each and every calendar month. The Sublease Overage is subject to increase upon any increase in the rent payable under the Sublease and/or the Leasehold Lease from time to time (whether due to increased rates or additions to the Subleased Premises or equipment demised under the Sublease and/or the Leasehold Lease from time to time). In the event that the Overlease is terminated, Overlandlord shall be entitled to continue to receive all such Sublease Overages from amounts payable under the Leasehold Lease and, upon notice from Overlandlord to Subtenant, Subtenant shall thereafter make all such Sublease Overage payments directly to Overlandlord and such Sublease Overage payments shall be credited against such Additional Rent otherwise payable by Sublandlord in accordance herewith but shall not be credited against any Annual Fixed Rent, Escalation Payments or other Additional Rent, sum or damages due under the Overlease. Upon termination of the Overlease, if Overlandlord makes the Election (as said term is hereinafter defined) the Sublease Overage amount shall be payable to Overlandlord by Subtenant as Additional Rent under the Sublease, as modified by the Consent (including, without limitation, this First Amendment)."

4. In no event shall Sublandlord or Subtenant remove any of the Yield Up Equipment described in Exhibit N of the Overlease from the Original Premises or Property upon expiration or earlier termination of the Sublease Term.

5. Paragraph 5 appearing on Page 2 of the Original Consent (not Paragraph 5 of the Original General Conditions) is hereby deleted.

6. All references in the Sublease to the Prime Lease shall mean the Prime Lease (as defined therein), as amended by the Sixth Amendment.

7. The term "Antigenics Leasehold Lease" as used in the Original Consent means the Antigenics Leasehold Lease referred to in Paragraph 10 of the Sublease and attached to the Sublease as Exhibit C thereto, a true copy of which is attached to the Original Consent as Exhibit C to the Sublease attached thereto. In addition, the Equipment Lease referred to in the Original Consent is, in fact, the Antigenics Leasehold Lease and both the Equipment Lease and the Antigenics Leasehold Lease are referred to in this First Amendment as the Original Leasehold Lease.

ARTICLE II

Amendments to the Original General Conditions of
Original Consent to Sublease

1. Paragraph 3 of the Original General Conditions, including, without limitation, subparagraphs 3 (a) and 3(b) is hereby deleted in its entirety and the following is substituted therefor:

"3. (a) In the event of Overlease Termination (as hereinafter defined) prior to the expiration or earlier termination of the Sublease, Overlandlord may (but shall not be required to), at its sole discretion and election (the "Election"), by written notice to Subtenant within one hundred twenty (120) days (the "Election Period") after Overlease Termination require Subtenant to be bound by and agree to perform Subtenant's obligations under the Sublease directly to and for the benefit of Overlandlord as if the Sublease (as modified by the Consent, including, without limitation, this First Amendment) were a direct agreement between Overlandlord and Subtenant. If Overlandlord gives such Election as provided herein, Subtenant shall be entitled to occupy the premises (the "Sublease Premises") leased pursuant to the Sublease (as modified by the Consent, including, without limitation, this First Amendment) and shall be automatically (without further act or deed) obligated to Overlandlord to perform all obligations of the Subtenant under the Sublease (as modified by the Consent, including, without limitation, this First Amendment) directly to and for the benefit of Overlandlord as if the Sublease (as modified by the Consent, including, without limitation, this First Amendment) were a direct agreement between Overlandlord and Subtenant, but such Election shall not relieve Sublandlord from any liability to Overlandlord under the Overlease. In the event of such Election by Overlandlord, Subtenant agrees to execute and deliver at any time and from time to time, upon request of Overlandlord, any instruments as Overlandlord may elect to require to confirm the agreements of Subtenant hereunder. In the event Overlandlord makes such Election, (1) Overlandlord shall not (i) be liable to Subtenant for any act, omission or breach of the Sublease by Sublandlord, (ii) be subject to any offsets or defenses which Subtenant might have against Sublandlord, (iii) be bound by any rent or additional rent which Subtenant might have paid in advance to Sublandlord, (iv) be bound to honor any rights of Subtenant in any security deposit, letter of credit or advance rent made with or paid to Sublandlord by Subtenant except to the extent Sublandlord has specifically assigned and turned over such security deposits and advance rent to Overlandlord, (v) be bound to honor any exercise of any Option to Extend, if any, or to renew the term of the Overlease, if any, (vi) be bound by any Right of First Offer or other Offer rights or other similar provisions, if any, set forth in the Overlease, (vii) be bound by any free rent periods or reduced rent periods, if any, set forth in the Sublease or Overlease (nor shall Subtenant have the benefit thereof), (viii) have any obligation or liability to Subtenant in any way related to any arrangements made between Sublandlord and

Subtenant with respect to Subtenant's use of any furniture, fixtures or equipment, owned, leased or otherwise provided or agreed to be provided by Sublandlord, (ix) have any obligation to the Subtenant under or with respect to (nor shall Subtenant have the benefit of) any of Excluded Provisions (as said term is hereinafter defined) or be obligated to make or provide any tenant improvements or other work in (or provide any work or other allowances to Subtenant with respect to) the Sublease Premises, (2) the Sublease and the term thereof shall not terminate or expire by virtue of any matter constituting Overlease Termination occurring prior to the date of such Election, including, without limitation, any termination of the term of the Overlease which occurs prior to or contemporaneously with the making of such Election, (3) the Overlandlord shall have no liability or responsibility to the Subtenant if PPM or any other present or future user, tenant, subtenant or occupant of the PPM Space fails to permit Subtenant access to any of the PPM Space, including, without limitation, the restrooms, corridors or Utility Service Area (as defined in the First Amendment to sublease), (4) Overlandlord shall have the benefit of all reservations and rights granted or reserved to the Overlandlord under the Overlease and shall also have the right (but not the obligation) to enter upon the premises subleased under the Sublease (the "Sublease Premises") to make such repairs and alterations to the heating, ventilating, electric, water, gas, telephone, and other utilities and lines which serve other areas of the Building and/or serve, or will serve, any other space, user, tenant or occupant located, or to be located, on any other portion of the floor or floors on which the Sublease Premises are located or which are located elsewhere in the Building, but, in excising rights under this clause (4), Overlandlord will use good faith efforts to minimize interference with Subtenant's use of the Sublease Premises, (5) Overlandlord shall (if and only if it makes the Election), subject to all the terms and provisions of the Consent (including, without limitation, Paragraphs 3 (a) through and including 3(f) of this First Amendment and Paragraph 10 of the General Conditions) and so long as no default on the part of the Subtenant shall have occurred under the Sublease (as modified by the Consent, including, without limitation, this First Amendment) perform all obligations of the Sublandlord under the Sublease (as modified by the Consent, including, without limitation, this First Amendment) which first arise from and after the date of the Election, directly to and for the benefit of the Subtenant as if the Sublease (as modified by the Consent, including, without limitation, this First Amendment) were a direct agreement between Overlandlord and Subtenant, (6) Overlandlord shall have no obligation or liability to Subtenant on account of any failure of the Sublease Premises to comply with any applicable laws, ordinances, rules or regulations, including without limitation, the so-called "Americans With Disabilities Act" and (7) Overlandlord shall have no obligation to maintain, repair or replace any HVAC, electric or other systems or equipment nor provide any services, in any such case, except as expressly provided in the Overlease, but, if Overlandlord so elects, Overlandlord shall have the right to enter into the Sublease Premises and perform such repairs, maintenance, alterations and additions to any Utilities (including, without limitation, HVAC systems) located within the Sublease Premises which serve (now or in the future) any other space or area within the Building, but, in exercising rights under this clause (7), Overlandlord will use good faith efforts to minimize interference with Tenant's use of the Sublease Premises.

As used herein, the term "Excluded Provisions" shall mean the Excluded Provisions of the Sublease and the Excluded Provisions of the Overlease, as such terms are hereinafter defined. The following provisions are the Excluded Provisions of the

Sublease: (A) Sections d, e and f of Section 2 (which Section 2 is entitled "Prime Lease"); (B) the third sentence in Section 8 (which Section 8 is entitled "Condition of Subleased Premises") and which begins "Notwithstanding the above, Sublessor hereby agrees" and through the end of clause d of that sentence (it being understood that Overlandlord shall have no responsibility for the Sublessor Tasks referred to in the sublease) (C) the following provisions of Section 9 (entitled "Obligation to Provide and Maintain Services): 9.a, 9.a.i, 9.a.ii, 9.a.iii, 9.a.iv (except that the Tenant's Utility Charge shall be subject to increase based on any change in use or percentage of office and laboratory space of the Sublease Premises or an increase in the actual rates charged to Overlandlord by the utility providers), 9.a.iv, 9.a.v (except that failure to pay Tenant's Utility Charge when due shall constitute a Monetary Default under Paragraph 14 of the Sublease), 9.a.vi, 9.a.vii and 9.a.viii, 9.b.i, the balance of 9.b.ii after the word "("Acceptance")", the balance of 9.c. following the words "Premises leased by the Sublease (it being further agreed that the term "Utility Rates" shall be deemed to mean Tenant's Utility Charge"); (D) Section 10 (which Section 10 is entitled "Antigenics Leasehold Lease"); (E) Paragraph c. of Section 11 entitled "Right to Sublease Premises"; (F) Section 12 (which Section is entitled "Assignment and Subletting") except the sentence which commences "Sublessee agrees to pay all of Sublessor's reasonable attorneys' fees"; (G) in Section 17, the Overlandlord's address for notices is as set forth in the Overlease Lease; (H) the Sublessor's agreements and obligations under Section 18 entitled "Brokerage Commission"; (I) Section 20 entitled "Sublessor's Representations and Warranties; (J) Section 21 entitled "Arbitration"; (K) Section 23 entitled "Covenant of Quiet Enjoyment"; (L) the first sentence of Section 24.a to the extent it does not include the Consent, including, without limitation, this First Amendment; (M) Section 26 (added by the First Amendment to Sublease) entitled "Leased Premises Monitoring System"; (N) any provision of the Sublease which requires (i) the provision of any equipment, services or utilities which are not expressly required to be provided by Overlandlord under the terms of the Overlease or (ii) any maintenance, repair or replacement or other obligation which is not required of the Overlandlord under the Overlease.

The following provisions are the Excluded Provisions of the Overlease: (A) Any obligation to provide meters for electricity or other utilities, (B) Exhibit A (Plan of Premises), (C) Section 2.3(c) (re-measurements), (D) Section 3 (Commencement Date; Improvements) exclusive of (i) Section 3.7(b) (installations), (ii) Section 3.8 (general provisions) and (iii) the last sentence of Section 3.10 (Changes in Building or Lot), each of which Sections 3.7(b) and 3.8 and the last sentence of Section 3.10 are incorporated into the Sublease, (E) the first sentence of Section 8.3 (Electricity, Water and Gas), (F) Section 8.7 (Representations), (G) 13.6 (Brokerage), (H) 13.8 (Security Deposit) and 13.12 (Landlord's Holdover Contribution); (I) Exhibit D (Building Construction Work), Exhibit E (Tenant's Plans and Specifications), Exhibit G (Option'to Extend, Right of First Offer), and Exhibit J (Plan of First Offer Space), (J) the definitions "Landlord's Construction Representative", "Tenant's Construction Representative", "Anticipated Term Commencement Date, "Commencement Date", "Landlord's Holdover Contribution" and "Tenant's Access Date" in Section 1; and such other definitions in Section 1 and such other terms of the Prime Lease as are inapplicable, inconsistent with, or specifically modified by the terms of this Sublease or this Consent.

Sublandlord hereby agrees that in the event of Overlease Termination (and provided Overlandlord makes the Election) and subject to the provisions of Section 3(b) hereof, at Overlandlord's request, Sublandlord shall immediately pay or transfer to Overlandlord any security deposits (whether in the form of cash or letter of credit), rent or other sums then held by Sublandlord in connection with the subleasing of the Sublease Premises. Such security deposit may be applied by Overlandlord pursuant to the terms of the Sublease (as amended by this Consent) in the event of any holding over or other default by the Subtenant after an Overlease Termination and, in such case, without limiting the generality of the foregoing, it is agreed and understood that in the event of a default of the Subtenant under the Sublease (as amended by this Consent), Overlandlord may use, apply or retain the whole or any part of the security deposit to the extent it may so elect for the payment of any rent, additional rent or other sum which Overlandlord may expend or be entitled to the payment of, by reason of, or in connection with, any default of Subtenant under the Sublease (as amended by this Consent) or this Consent or any failure of Subtenant to pay, perform or observe any term, covenant, condition or provision of the Sublease (as amended by this Consent) or this Consent, including, without limitation, any late charges, interest payments or any damages or deficiency in the reletting of the Sublease Premises whether said damages or deficiency occurred before or after summary proceedings or other re-entry by Overlandlord, all holdover rent and charges and any and all sums, amounts and obligations set forth in Section 11 of the Overlease and/or Section 14 of the Sublease (but in no event shall Overlandlord have any obligation to (for purposes of this Paragraph) provide Subtenant any notice, written or otherwise to establish a Default of Subtenant or Event of Default or default under the Sublease (as amended by this Consent) or otherwise given any written notice in order to draw upon any letter of credit or cash or other form of security deposit). Subtenant hereby agrees that under no circumstances whatsoever shall Overlandlord be held in any way responsible or accountable for any security deposit, letter of credit or any sums paid or delivered by Subtenant to Sublandlord unless and until and to the extent that Overlandlord has actually received such Subtenant's security deposit from Sublandlord (designated as such) to be held and applied as the Subtenant's security deposit under the Sublease, and Subtenant shall have no claim to any security or other deposit made by Sublandlord under the Overlease. If Sublandlord does turn over the security deposit to Overlandlord and the security deposit is in the form of a letter of credit, Subtenant shall, within thirty (30) days of request by Overlandlord, provide Overlandlord (at Subtenant's sole expense) an amendment to the existing letter of credit under the Sublease (a true copy of which letter of credit is attached hereto as Exhibit A) substituting Overlandlord as the beneficiary thereunder, substituting Overlandlord for Sublandlord thereunder, modifying Paragraph 2(A) of such letter of credit to refer to the Sublease, as amended by the Consent, and such other changes as Overlandlord may require (other than the amount) so that such letter of credit will be available to be drawn upon by Overlandlord under the terms of this Consent, all in form and substance satisfactory to Overiandlord). If Sublandlord does not deliver any security deposit (whether cash or letter of credit) to Overlandlord within thirty (30) days after the making of an Election by Overlandlord, then Subtenant shall within fifteen (15) days after request deliver to Overlandlord the security deposit (whether in the form of cash or letter of credit) in the form and amount required under the Sublease which shall then serve as the Subtenant's security deposit under the Sublease. Overlandlord may commingle any such security deposit with other funds of Overlandlord and shall have no obligation to pay

any interest thereon. If Overlandlord makes the Election, the Subtenant's liability under the Sublease (as amended by this Consent) shall not be limited to the amount of the security deposit and if Overlandlord applies all or any portion of the Subtenant's security deposit to cure a default of the Subtenant, the Subtenant shall immediately pay to the Overlandlord such amount as is necessary to fully restore all amounts so applied by Overlandlord.

(b) Overlease Termination. As used in the General Conditions, the term "Overlease Termination" means any event, which by voluntary or involuntary act or by operation of law, causes the Overlease to be terminated, expire, or be canceled including, but not limited to: (1) the termination of Sublandlord's leasehold estate by dispossession proceeding or otherwise and (2) termination of the Overlease in accordance with its terms. If the Overlease and/or Sublease (as the case may be) are rejected or disaffirmed pursuant to Section 365 of the United States Bankruptcy Code as amended, or any future amendment thereto or any successor or replacement statute or any other provision of the present or any future Bankruptcy Code, for purposes of this Consent at the option of Overlandlord, Overlease Termination will not be deemed to have occurred until Overlandlord terminates the Overlease. Rejection of the Overlease or Sublease (as the case may be) in any such bankruptcy proceeding shall not reduce, impair or diminish Overlandlord's rights hereunder nor release Subtenant from, or reduce, impair or diminish Subtenant's obligations under, any of the terms and provisions of this Consent or the Sublease.

(c) Extension of Election Period. The Election Period may, at the option of Overlandlord exercisable by reasonably prompt written notice of the exercise of such option from Overlandlord to Subtenant, be extended for a period of thirty (30) days beyond expiration of the period of any automatic stay under applicable Bankruptcy Law, injunctions or court orders or the like. In no event shall Subtenant have the right to claim that the Overlease or Sublease has been terminated by operation of law or any other reason (except as a result of the giving of written notice of termination of the Sublease by Overlandlord after Overlandlord has made an Election) unless Subtenant shall have given Overlandlord written notice ("Subtenant's Notice") of such termination and Overlandlord shall have failed to give Subtenant written notice making the Election (if it has not already made such Election) within thirty (30) days after receipt of such Subtenant's Notice (and, in all events, subject to extension as provided in the first sentence of this Paragraph 3(c)).

(d) Utilities. Subtenant acknowledges that both Subtenant and Overlandlord have been advised by Sublandlord that electricity, water, gas, heating, ventilating and air conditioning (collectively, the "Utilities") serving the Sublease Premises may, in some cases, be separately metered as to the Sublease Premises and, in other cases, may be metered in common with Utilities which serve the entire Premises under the Overlease or parts of the Premises under the Overlease which do not include the Sublease Premises (the portion of the entire Premises under the Overlease, exclusive of the Sublease Premises is hereinafter called the "Remaining Premises"). Subtenant acknowledges that Overlandlord shall have no responsibility to Subtenant with respect to the accuracy of such advice by Sublandlord and Landlord shall have no obligation to Subtenant to install any meters for any Utilities serving the Sublease Premises, at any time, whether before or after the making of an Election. If Landlord makes the Election, then, for and with respect to periods subsequent to such date, the following terms shall apply:

(i) Subtenant shall pay to Overlandlord monthly within ten (10) days of being billed therefor, as additional rent, a sum equal to Tenant's Utility Charge (as said term is hereinafter defined).

As used herein, the term “Tenant’s Utility Charge” shall mean an amount equal to the product obtained by multiplying (a) the total utility charges (the “Total Utility Charges”) for the entire area (the “Common Utility Area”) which presently constitutes the entire Premises under the Overlease as measured by the Common Utility Meters by (b) the Tenant’s Utility Percentage. As used herein, the term “Common Utility Meters” shall mean those meters which measure the use, demand and/or consumption of Utilities serving all or any part of the Common Utility Area. As used herein, the term “Tenant’s Utility Percentage” shall mean a fraction, the numerator of which shall be the rentable square footage of the Sublease Premises (namely, 19,888 rentable square feet) as set forth in the Sublease and the denominator of which shall be the rentable square footage of the Common Utility Area, namely, approximately 41,020 rentable square feet; provided, however, that if one hundred (100%) percent of the rentable square footage in the Remaining Premises is not leased and occupied during any particular period for which Tenant’s Utility Charge is payable, then the denominator used in calculating Tenant’s Utility Percentage (and Tenant’s Utility Charge) for such period shall be the sum of (a) rentable square footage in the Remaining Premises which is in fact leased and occupied during the same applicable period plus rentable square footage of the Sublease Premises (namely, 19,888 rentable square feet). If in Overlandlord’s judgment, Subtenant’s use of electricity in the Sublease Premises is in excess of normal office usage (or, in the case of the Subtenant’s laboratories, normal laboratory usage) or in excess of the amount otherwise includable in Tenant’s Utility Charge or shall result in an additional burden on the Building’s utility systems or additional cost on account thereof, as the case may be, Subtenant shall upon demand reimburse Overlandlord for all additional costs related thereto. Overlandlord, at Subtenant’s expense, shall replace and install all ballasts, lamps and bulbs (including, but not limited to, incandescent and fluorescent) used in the Sublease Premises. All such replacements shall be of a type, color and size as shall be designated by Landlord. Landlord shall not in any way be liable or responsible to Subtenant for any loss, damage or expense which Tenant may sustain or incur if the quantity, character, or supply of electricity is changed or is no longer available or suitable for Tenant’s requirements.

(ii) Overlandlord shall, from time to time, also have the right elect to require Subtenant to directly pay the utility company providing the same (or, at Overlandlord’s election, reimburse Overlandlord, within ten (10) days after demand) for all Utility. Charges which now or hereafter are separately metered as to the Sublease Premises only, in which event, such separately metered charges shall not be included in the Total Utility Charges used in determining Tenant’s Utility Charge. Landlord also reserves the right to elect, from time to time, to install meters and related equipment in order to separately meter all or any part of the Utility use, consumption and/or demand allocable to the Sublease Premises at Subtenant’s sole cost and expense and, in such case, from and after such installation, Tenant shall pay all charges as measured through such meters directly to the Utility which provides such service and such separately metered charges so paid by Subtenant shall not be included in the Total Utility Charges for purposes of determining the Tenant’s Utility Charge payable by Subtenant.

(iii) Subtenant acknowledges that the Operating Cost Escalation (as such term is defined in the Overlease) under the Overlease which constitutes part of the Additional Rent Subtenant is obligated to pay under the Sublease, and Subtenant's share thereof under the Sublease, also include, utility costs for the Property (as such term is defined in the Overlease) which are payable by Subtenant as part of the Operating Cost Escalation included within Subtenant's Additional Rent obligation under the Sublease, in addition to the Tenant's Utility Charges. In addition, notwithstanding that Exhibit B to the Sublease sets forth specific amounts for so-called "CAM Escalations" and "RE Tax Escalations", the amounts of such CAM Escalations and RE Tax Escalations which are payable by Subtenant as Additional Rent under the Sublease are subject to increase from time to time as Landlord's Operating Costs and the Real Estate Taxes (as such terms are defined in the Overlease) increase, all in accordance with the provisions of the Overlease. If Overlandlord makes the "Election", the terms "Tenant's Proportionate Share" (as defined in the "Overlease") and the term "Sublessee's Proportionate Share (as defined in the Sublease) shall mean 17.12% so that Subtenant's Real Estate Tax Escalation and Operating Cost Escalation will be calculated using 17.12% of such costs for the entire Property.

(e) Some portion of the Utility Systems (as said term is defined in the Sublease) as well as some of the equipment through which the Utility Services (as said term is defined in the Sublease) are provided may be located within the Sublease Premises and some is located in the PPM Space. Subtenant agrees that it will not remove any Utility Related Equipment (as said term is hereinafter defined), any of what may constitutes Landlord's Retained Property under the Overlease, from the Sublease Premises prior to expiration of the term of the Sublease unless it concurrently replaces the same with equipment of equal utility and value and which will continue to provide all of the Utility Services required under the Sublease or as may be necessary or required to operate any HVAC, electric, water or gas or other utility systems which serve parts of the Remaining Premises or which serve the Utility Systems within the Sublease Premises or the PPM Space. As used herein, the term "Utility Related Equipment" shall mean any HVAC, water, electric, gas, telephone, plumbing, Tel/Data and other utility equipment and lines which serve or are related to services to provided under the Sublease or service within or serving any part of the Remaining Premises.

Further, Subtenant will not alter or modify any of the Utility Related Equipment or any other systems involved in Utilities which serve or affect the Sublease Premises or Remaining Premises or any of what may constitute Landlord Retained Property without the prior written consent of the Landlord which consent will not be unreasonably withheld, conditioned or delayed and will permit Overlandlord and its representatives and designees (if Overlandlord should so elect) access to the Sublease Premises for the purpose of maintaining, repairing and replacing any Utility Systems and Utility services and/or for the purposes of separating Utilities and metering and/or check metering the same (it being agreed that Overlandlord has and will have, no obligation to do any of the foregoing) (but, in the exercise of rights under this sentence, Landlord will use good faith efforts to minimize interference with Tenant's use of the Sublease Premises).

In addition, upon expiration or early termination of the Sublease, at the option of Overlandlord, Subtenant shall leave on the Sublease Premises and transfer and assign to Overlandlord or its designee such of the Landlord's Retained Property and such of the Utility Related Equipment as Overlandlord may elect to retain. Subtenant agrees to consult with Overlandlord concerning the foregoing (and also concerning all Utility metering issues) from time to time as Overlandlord may require.

Nothing contained in this Consent shall be deemed to imply or require that Overlandlord has any obligation to provide, repair, maintain or replace any HVAC or other Utility Systems or Utility Services or the Utility Related Equipment or Landlord's Retained Property or other Utility equipment or lines either under the Sublease or the PPM Sublease.

(f) In no event shall Overlandlord have any liability or responsibility to Sublandlord or Subtenant for any act or omission of PPM or any other tenant, subtenant, person or entity within or with respect to the Sublease Premises or any Utilities or systems or equipment therein or in the PPM Space or providing service thereto nor on account of any of the rights of PPM under the PPM Sublease.

ARTICLE III

Miscellaneous

1. As a condition to the effectiveness of the within First Amendment, as additional rent under the Overlease, Sublandlord shall, within ten (10) days after invoice, reimburse Overlandlord for all costs and expenses including without limitation, attorneys fee sustained or incurred by Overlandlord in connection with Sublandlord's request for Overlandlord's consent to the execution and delivery of the First Amendment to the Sublease including, without limitation, review of the Sublease, the Original Consent, the Overlease and preparation and negotiation of this First Amendment, the Sixth Amendment and all matters related thereto.

2. Submission of this document to the Sublandlord and/or the Subtenant shall have no binding effect and shall not be deemed or construed to mean that Overlandlord has consented or will consent to the subletting contemplated by the Sublease. Execution of this First Amendment by Sublandlord and/or Subtenant and delivery thereof to Overlandlord shall similarly have no binding effect unless and until Overlandlord has approved, executed and delivered this First Amendment to both Sublandlord and Subtenant. In submitting this document to Sublandlord and/or Subtenant, Overlandlord hereby reserves any and all rights, privileges and protections afforded to Overlandlord under the Overlease and the Original Consent, at law and in equity.

3. Sublandlord was incorrectly identified in the Original Consent, Original Sublease and Original Leasehold Lease as “Antigenics, Inc.”. No comma should appear in the name of the Sublandlord and Sublandlord is correctly identified in this First Amendment.

Except as amended and modified hereby, all the terms, covenants and provisions of the Original Consent and the Original General Conditions are hereby ratified and affirmed.

[Remainder of Page Intentionally Left Blank]

EXECUTED under seal as of the date first written above.

OVERLANDLORD:

NDNE 9/90 Corporate Center LLC

By: NDNE 9/90, INC.

Its: MANAGER

By: /s/ [Illegible]

Its: Exec VP
hereunto duly authorized

SUBLANDLORD:

Antigenics Inc.

By: /s/ Jeff Clark

Its: CFO
hereunto duly authorized

SUBTENANT:

GTC Biotherapeutics, Inc.

By: /s/ John B. Green

Its: SVP and CFO
hereunto duly authorized

NDNE0108
March 10, 2004

EXHIBIT A

Letter of Credit Furnished to Sublandlord by Subtenant
as Security Deposit under Sublease

IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVB02IS4413

DATE: JULY 18, 2002

BENEFICIARY:
ANTIGENICS, INC.
34 COMMERCE WAY
WOBURN, MA 01801
AS "SUBLANDLORD"

APPLICANT:
GTC BIOTHERAPEUTICS, INC.
175 CROSSING BLVD., SUITE 410
FRAMINGHAM, MA 01702
AS "SUBTENANT

AMOUNT: US$200,000.00 (TWO HUNDRED THOUSAND AND 00/100 U.S. DOLLARS)

EXPIRATION DATE: JULY 18, 2003

LOCATION: AT OUR COUNTERS IN SANTA CLARA, CALIFORNIA

DEAR SIR/MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVB02IS4413 IN YOUR FAVOR AVAILABLE BY YOUR DRAFT DRAWN ON US AT SIGHT IN THE FORM OF EXHIBIT "B" ATTACHED AND ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.
2. A DATED CERTIFICATION FROM THE BENEFICIARY SIGNED BY AN AUTHORIZED OFFICER, FOLLOWED BY ITS DESIGNATED TITLE, STATING THE FOLLOWING:

(A) "THE AMOUNT REPRESENTS FUNDS DUE AND OWING TO US AS A RESULT OF AN EVENT OF DEFAULT BY APPLICANT WITH RESPECTS TO ONE OR MORE OF THE TERMS OF THAT CERTAIN ANTIGENCIS LEASEHOLD LEASE AGREEMENT BY AND BETWEEN BENEFICIARY, AS SUBLANDLORD, AND APPLICANT, AS SUBTENANT."

OR

(B) "WE HEREBY CERTIFY THAT WE HAVE RECEIVED WRITTEN NOTICE FROM SILICON VALLEY BANK THAT LETTER OF CREDIT NO. SVB02IS4413 WILL NOT BE RENEWED, AND THAT WE HAVE NOT RECEIVED A REPLACEMENT OF THIS LETTER OF CREDIT FROM APPLICANT SATISFACTORY TO US AT LEAST THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE OF THIS LETTER OF CREDIT."

PARTIAL DRAWS ARE ALLOWED. THIS LETTER OF CREDIT MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY UNLESS IT IS FULLY UTILIZED DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

Silicon Valley Bank
INTERNATIONAL DIVISION

IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVB02IS4413
DATED JULY 18, 2002

THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR, WITHOUT AMENDMENT, FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE WE NOTIFY YOU AND THE APPLICANT BY REGISTERED MAIL/OVERNIGHT COURIER SERVICE AT THE ABOVE ADDRESSES THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND THE CURRENT EXPIRATION DATE. IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND DECEMBER 31, 2006.

THIS LETTER OF CREDIT MAY ONLY BE TRANSFERRED IN ITS ENTIRETY BY THE ISSUING BANK UPON OUR RECEIPT OF THE ATTACHED "EXHIBIT A" DULY COMPLETED AND EXECUTED BY THE BENEFICIARY AND ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS, IF ANY, WITH THE PAYMENT OF OUR TRANSFER FEE OF 1/4 OF 1% OF THE TRANSFER AMOUNT (MINIMUM USD250.00). THE TRANSFEREE FEE WILL BE PAID BY THE BENEFICIARY.

ALL DEMANDS FOR PAYMENT SHALL BE MADE BY PRESENTATION OF THE ORIGINAL APPROPRIATE DOCUMENTS PRIOR TO 10:00 A.M.CALIFORNIA TIME, ON A BUSINESS DAY AT OUR OFFICE (THE "BANK'S OFFICE") AT: SILICON VALLEY BANK, 3003 TASMAN DRIVE SANTA CLARA, CA 95054, ATTENTION: STANDBY LETTER OF CREDIT NEGOTIATION SECTION **OR** BY FACSIMILE TRANSMISSION AT: (408) 654-6211 OR (408) 496-2418; AND SIMULTANEOUSLY UNDER TELEPHONE ADVICE TO; (408) 654-7120 OR (408) 654-3052), ATTENTION: STANDBY LETTER OF CREDIT NEGOTIATION SECTION WITH ORIGINALS TO FOLLOW BY OVERNIGHT COURIER SERVICE; PROVIDED, HOWEVER, THE BANK WILL DETERMINE HONOR OR DISHONOR ON THE BASIS OF PRESENTATION BY FACSIMILE ALONE AND WILL NOT EXAMINE THE ORIGINALS.

PAYMENT AGAINST CONFORMING PRESENTATIONS HEREUNDER SHALL BE MADE BY BANK DURING NORMAL BUSINESS HOURS OF THE BANK'S OFFICE WITHIN TWO (2) BUSINESS DAYS AFTER PRESENTATION.

WE HEREBY AGREE WITH THE DRAWERS, ENDORSERS AND BONAFIDE HOLDERS THAT THE DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER Of CREDIT SHALL BE DULY HONORED UPON PRESENTATION TO THE DRAWEE, IF NEGOTIATED ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE. PUBLICATION NO. 500.

/s/ Evelio G. Barairo	/s/ Cesar Agoncillo
Evelio G. Barairo	Cesar Agoncillo
AUTHORIZED SIGNATURE	AUTHORIZED SIGNATURE

3003 TASMAN DRIVE | SANTA CLARA, CA, U.S.A. 95054 | www.svb.com
PHONE: 408-654-7400 | DIRECT LINE: 408-654-7736 | FAX: 408-496-2418 OR 408-969-6510

SWIFT ADDRESS SVBKU6S / TELEX NO. 6732567 / ANSWERBACK SVBTF

EXHIBIT "A"

DATE:

TO: SILICON VALLEY BANK
3003 TASMAN DRIVE
SANTA CLARA, CA 95054
ATTN: INTERNATIONAL DIVISION.
STANDBY LETTERS OF CREDIT

RE: STANDBY LETTER OF CREDIT
NO. SVB02IS4413 ISSUED BY
SILICON VALLEY BANK. SANTA CLARA
L/C AMOUNT:

GENTLEMEN:

FOR VALUE RECEIVED. THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

(NAME OF TRANSFEREE)
(ADDRESS)

ALL RIGHTS Of THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE LETTER OF CREDIT UP TO ITS AVAILABLE AMOUNT AS SHOWN ABOVE AS OF THE DATE OF THIS TRANSFER.

BY THIS TRANSFER. ALL RIGHTS Of THE UNDERSIGNED BENEFICIARY IN SUCH LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE. TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECT TO THE TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH LETTER OF CREDIT IS RETURNED-HEREWITH, AND WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER.

SINCERELY,

_____
(BENEFICIARY'S NAME)

_____
SIGNATURE OF BENEFICIARY

SIGNATURE AUTHENTICATED

_____
(NAME OF BANK)

_____
AUTHORIZED SIGNATURE

EXHIBIT "B"

DATE: _____ REF.NO. _____

AT SIGHT OF THIS DRAFT

PAY TO THE ORDER OF _____ US$ _____

USDOLLARS _____

_____

DRAWN UNDER SILICON VALLEY BANK, SANTA CLARA, CALIFORNIA, STANDBY LETTER OF CREDIT NUMBER NO. _____ DATED _____.

TO: SILICON VALLEY BANK
3003 TASMAN DRIVE
SANTA CLARA, CA 95054

_____
(BENEFICIARY'S NAME)

_____
Authorized Signature

GUIDELINES TO PREPARE THE DRAFT

1. DATE: ISSUANCE DATE OF DRAFT.
2. REF. NO.: BENEFICIARY'S REFERENCE NUMBER, IF ANY.
3. PAY TO THE ORDER OF: NAME OF BENEFICIARY AS INDICATED IN THE L/C (MAKE SURE BENEFICIARY ENDORSES IT ON THE REVERSE SIDE).
4. US$: AMOUNT OF DRAWING IN FIGURES.
5. USDOLLARS: AMOUNT OF DRAWING IN WORDS.
6. LETTER OF CREDIT NUMBER: SILICON VALLEY BANK'S STANDBY L/C NUMBER THAT PERTAINS TO THE DRAWING.
7. DATED: ISSUANCE DATE OF THE STANDBY L/C.
8. BENEFICIARY'S NAME: NAME OF BENEFICIARY AS INDICATED IN THE L/C.
9. AUTHORIZED SIGNATURE: SIGNED BY AN AUTHORIZED SIGNER OF BENEFICIARY.

IF YOU NEED FURTHER ASSISTANCE IN COMPLETING THIS DRAFT, PLEASE CALL OUR L/C PAYMENT SECTION AND ASK FOR:

ALICA DA LUZ: 408-654-7120
CESAR AGONCILLO: 408-654-3052

FIRST AMENDMENT TO SUBLEASE

This FIRST AMENDMENT TO SUBLEASE (this "Amendment") is made as of MARCH 16, 2004, by and between Antigenics Inc. ("Sublessor"), a Massachusetts corporation formerly known as Aquila Biopharmaceuticals, Inc. with an address of 3 Forbes Road, Lexington, Massachusetts 02421 and which is a wholly-owned subsidiary of Antigenics Inc., a Delaware corporation, and GTC Biotherapeutics, Inc. ("Sublessee"), a Massachusetts corporation, whose mailing address is 175 Crossing Boulevard, Suite 410, Framingham, Massachusetts 01702.

W I T N E S S E T H:

WHEREAS, Sublessor and Sublessee entered into a Sublease dated July 16, 2002 (the "Sublease");

WHEREAS, Sublessor and Sublessee desire to amend the Sublease to delete Sublessee's option to sublease the "Tertiary Space" (as defined in the Sublease) and otherwise as provided below.

NOW THEREFORE, for good and valuable consideration, the mutual receipt and legal sufficiency of which is hereby acknowledged, Sublessor and Sublessee do hereby agree as follows:

1. Amendment of Third Whereas Clause. The third Whereas clause of the Sublease is deleted in its entirety.

2. Amendment to Section 1(i). The definition of Sublease Termination Date in Section 1(i) of the Sublease is deleted in its entirety and replaced with the following: "subject to Section 25 hereof, September 30, 2010."

3. Amendment of Section 1(j). Section 1(j) of the Sublease is deleted in its entirety and replaced with the following: "the Subleased Premises consists of the Primary Space and the Secondary Space as shown on the sketch plan attached hereto as Exhibit A attached hereto."

4. Amendment of Sections 1(n) and 1(o). Sections 1(n) and 1(o) of the Sublease are hereby deleted in their entirety.

5. Amendment of Section 4(b). Section 4(b) of the Sublease is amended by adding the words "or Sublessor may" after the second occurrence of the words "Additional Rent," in the second sentence thereof.

6. Amendment of Section 5(a). Section 5(a) of the Sublease is deleted in its entirety and replaced with the following: “be in the stated original amount of not less than Two Hundred Thousand and 00/00 Dollars ($200,000.00);”

7. Amendment of Section 8. The third sentence of Section 8 is amended by deleting the phrase “, including the Tertiary Space,”.

8. Amendment of Section 9(a). Section 9(a) of the Sublease is amended by (a) adding the words “At all times during the term of the Sublease,” at the beginning thereof; (b) adding the phrase “or cause to be provided” after the word “provide” in the first line thereof and by deleting the phrase “which are located in the Tertiary Space” and replacing it with the following: “that are located in the utility equipment area as shown on Exhibit A-1 attached hereto (the **“Utility Equipment Area”)** in the second line thereof.

9. Amendment of Section 9(a)(i). Section 9(a)(i) of the Sublease is amended by adding the phrase “or cause to be provided” after the word “provide” in the second line thereof.

10. Amendment of Section 9(a)(ii). Section 9(a)(ii) of the Sublease is deleted in its entirety.

11. Amendment of Section 9(a)(iii). Section 9(a)(iii) of the Sublease is amended by adding the phrase “or cause to be provided” after the word “provide” in the first line thereof and by deleting the phrase “utility/maintenance room located in the Tertiary Space” with the following: “Utility Equipment Area”.

12. Amendment of Section 9(a)(v). The first sentence of Section 9(a)(v) of the Sublease is amended by deleting the phrase “ Utility Services Termination Date” and replacing it with: “Sublease Termination Date” each time it appears.

13. Amendment of Section 9(a)(vii). The first sentence of Section 9(a)(vii) of the Sublease is amended by deleting the phrase “utility/maintenance room in the Tertiary Space at its sole cost and expense until the Utility Services Termination Date” and replacing it with the following: “utility/maintenance room in Utility Equipment Area at its sole cost and expense until the Sublease Termination Date”.

14. Amendment of Section 9(a)(viii). Section 9(a)(viii) of the Sublease is amended by deleting the phrase “the earlier of the Sublease Termination Date or the Sublessee’s occupancy of the Tertiary Space” with the following: “the Sublease Termination Date”.

15. Section 9(b)(iii). Section 9(b)(iii) is deleted in its entirety.

16. Section 9(b)(iv). The second sentence of Section 9(b)(iv) is deleted in its entirety.

17. Heading for Section 11 and Sections 11(a) and 11(b). The heading of Section 11 is deleted in its entirety and is replaced with the following: “Right to the Subleased Premises.” The first sentence of Section 11 and Sections 11(a) and 11(b) are deleted in their entirety.

18. Amendment of Section 14(a). Section 14(a) of the Sublease is amended by deleting the words "Default, as defined in Section 11 of the Prime Lease," and replacing them with the word "default under the Prime Lease".

19. Section 17. The second sentence of Section 17 is amended by deleting the phrase "at 34 Commerce Way, Woburn, Massachusetts 01801, Attention: Mr. Neal Gordon" and replacing it with the following: "at 3 Forbes Road, Lexington, Massachusetts 02421, Attention: SVP of Operations".

20. Section 18. The third sentence of Section 18 is deleted in its entirety.

21. Section 25. A new Section 25 is added to the Sublease as follows: "**Early Termination**". Sublessee shall have the right to terminate this Sublease provided Sublessee shall satisfy the following conditions precedent: (i) there shall be no default or event of default beyond any applicable grace and/or cure period pursuant to Section 14 of this Sublease at the time Sublessee exercises its right to terminate this Sublease or upon the date of termination, (ii) Sublessee shall give Sublessor with written notice of its election to terminate this Sublease with such notice being given not later than July 1, 2006 and (iii) Sublessee has completely vacated the Subleased Premises and fulfilled its obligations under Section 16 hereof no later than midnight on December 31, 2006. Should Sublessee comply with the foregoing conditions precedent, the Sublease Termination Date shall be December 31, 2006, and this Sublease shall terminate effective at midnight on December 31, 2006. Should Sublessee fail to comply strictly with any of the foregoing conditions precedent, the rights of Sublessee under this Section 25 shall be null and void.

22. Section 26. A new Section 26 is added to the Sublease as follows: **"Leased Premises Monitoring System".** Sublessor agrees that it shall, at Sublessor's sole cost and expense, modify the Premises monitoring system for the Leased Premises in such a manner that Sublessee has an independent system located in the Subleased Premises to access data collected by the Premises monitoring system with respect only to the "former animal facility" located in the Subleased Premises, subject to receipt by Sublessor of the consent of Prime Lessor if such consent is required. The design of such modifications and the specifications for any equipment to be purchased and installed by Sublessor in connection with such modifications shall be subject to Sublessee's prior review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Sublessor shall assign any warranties for the work performed in making such modifications and for any such equipment to Sublessee.

23. Amendment of Exhibit A. Exhibit A to the Sublease is deleted in its entirety and replaced with Exhibit A attached hereto.

24. Addition of Exhibit A-1. The Sublease is amended by adding Exhibit A-1 attached hereto to the Sublease.

25. Amendment of Exhibit B. Exhibit B to the Sublease is deleted in its entirety and replaced with Exhibit B attached hereto.

26. Broker. Sublessor and Sublessee each represent and warrant to the other than it has not dealt with any broker in connection with this Amendment and will indemnify and hold harmless the other from and against any loss and expenses suffered by either of them as a result of such dealings with any broker.

27. Prime Lessor's Consent. This Amendment shall be contingent upon the Sublessor's receipt of the Prime Lessor's written consent to this Amendment.

28. Confirmation. Except as amended hereby, the Sublease is hereby confirmed and continues in full force and effect.

29. Counterparts. This Amendment may be executed in one or more counterparts which together shall constitute one instrument.

30. Prior Sublandlord Work. Sublessee hereby acknowledges and confirms to Sublessor and Prime Lessor that all work and obligations of Sublessor under the Sublease with respect to the Subleased Premises to be performed on or prior to the date hereof has been fully performed to the satisfaction of the Sublessee as of the date hereof, except for the obligations in Paragraph 22 of this Amendment.

31. Name of Sublessor. In the Sublease and the Consent to Sublease, a comma was included in the name of the Sublessor in error. The comma in the name of the Sublessor under the Sublease and the Consent to Sublease is hereby removed, and the name Antigenics Inc. without a comma is hereby inserted as the correct name of the Sublessor in the Sublease and the Consent to Sublease.

32. Terms; Section References. Terms used herein and not defined herein are used herein as defined in the Sublease. References herein to Sections of the Sublease which use "()" to denote clauses refer to applicable sections of the Sublease even where such parentheses may not be used or "." (or, at various points, "()" or ".") are used instead in the Sublease.

IN WITNESS WHEREOF, the parties hereto have executed this. Amendment as a sealed instrument, as of the date first above written.

SUBLESSOR:

Antigenics Inc., a Massachusetts corporation

By: /s/ Jeff D. Clark
Name: Jeff D. Clark
Title: CFO

SUBLESSOR:

GTC Biotherapeutics, Inc.

By: /s/ John B. Green
Name: John B. Green
Title: SVP and CFO

Exhibit A

Primary Space – Third Floor

[Floor plan graphic omitted as not material to investors.]

Exhibit A

Secondary Space – Second Floor

[Floor plan graphic omitted as not material to investors.]

EXHIBIT A-1

Sketch Plan

[Floor plan graphic omitted as not material to investors.]

Antigenics Inc.
Sublease Agreement - Exhibit B
Updated: March, 2004

	Sq. Ft. Total	Sq. Ft. - Utilities Alloc. Office	Lab
Primary Space - Square Feet	11,852	8,891	2,961
Secondary Space - Square Feet	8,036	5,125	2,911
Total Square Feet	19,888	14,016	5,872
Base rent per sq ft @ 7/1/02	$ 21.38		
Base rent per sq ft @ 9/1/02	$ 22.88		
Base rent per sq ft @ 9/1/06	$ 24.38		
Monthly 2002 CAM Escalation [1]	$6,347.58		
Monthly 2002 RE Tax Escalation [1]	$4.834.68		

1 annual escalation of CAM & RE Tax to be passed through to sub-lessee at appropriate % as invoiced by NDNE

Monthly Sub-lease Payments	Jul-Aug 2002	Sep-Oct 2002	Nov-Dec 2002	Jan-Dec 2003	Jan-Dec 2004	Jan-Dec 2005	Jan-Aug 2006	Sep-Dec 2006	Jan-Dec 2007	Jan-Dec 2008	Jan-Dec 2009	Jan-Sep 2010
Annual Fixed Rent (monthly installments)	$ 21,116.31	$ 22,597.81	$ 22,597.81	$ 37,919.79	$ 37,919.79	$ 37,919.79	$ 37,919.79	$ 40,405.79	$ 40,405.79	$ 40,405.79	$ 40,405.79	$ 40,405.79
CAM Escalation [1]	3,782.76	3,782.7	1,834.02	3,077.54	3,077.54	3,077.54	3,077.54	3,077.54	3,077.54	3,077.54	3,077.54	3,077.54
RE Tax Escalation [1]	2,881.17	2,881.17	1,396.89	2,344.03	2,344.03	2,344.03	2,344.03	2,344.03	2,344.03	2,344.03	2,344.03	2,344.03
Leasehold Improvements Allocations	—	—	9,231.61	17,533.00	17,533.00	17,533.00	17,533.00	17,533.00	17,533.00	17,533.00	17,533.00	17,533.00
Leasehold Improvements Allocations Reduction (2004 Amendment)	—	—	—	—	(2,500.00)	(2,500.00)	(2,500.00)	(2,500.00)	(2,500.00)	(2,500.00)	(2,500.00)	(2,500.00)
Utilities Allocalion [2]	4,531.62	4,531.62	4,531.62	8,925.12	9,639.13	10,410.26	11,243.08	12,142.53	13,113.93	14,163.04	15,296.08	16,519.77
Total Monthly Payments	$ 32,311.86	33,793.36	$ 39,591.95	69,799.47	68,013.48	$ 68,784.61	$ 69,617.43	$ 73,002.88	$ 73,974.28	$ 75,023.40	$ 76,156.44	$ 77,380.13

1 annual escalation of CAM & RE Tax to be passed through to sub-lessee at appropriate % as invoiced by NDNE

2 Utilities allocation charge calculated at $0.20/square foot for office and $0.93/square foot for laboratory
An inflationary factor of 8% is used for calculating annual increases and subject to adjustment based on actual rate increases of the Utility providers.

FIRST AMENDMENT TO LEASEHOLD LEASE

This FIRST AMENDMENT TO LEASEHOLD LEASE (this "Amendment") is made as of MARCH 16, 2004, by and between Antigenics Inc. ("Lessor"), a Massachusetts Corporation with an address of 3 Forbes Road, Lexington, Massachusetts 02421 and which is a wholly-owned subsidiary of Antigenics Inc., a Delaware corporation, and GTC Biotherapeutics, Inc. ("Lessee"), a Massachusetts corporation, whose mailing address is 175 Crossing Boulevard, Suite 410, Framingham, Massachusetts 01702.

W I T N E S S E T H:

WHEREAS, Lessor and Lessee entered into a Leasehold Lease dated July 19, 2002 (the "Leasehold Lease");

WHEREAS, Lessor and Lessee desire to amend the Leasehold Lease to delete Sublessee's rights to lease equipment located in the "Tertiary Space" (as defined in the Leasehold Lease) and otherwise as provided below.

NOW THEREFORE, for good and valuable consideration, the mutual receipt and legal sufficiency of which is hereby acknowledged, Lessor and Lessee do hereby agree as follows:

1. Amendment of Second Whereas Clause. The second Whereas clause of the Leasehold Lease is deleted in its entirety and replaced with the following: "WHEREAS, Lessor and Lessee entered into a Sublease Agreement dated July 16, 2002, as amended by First Amendment to Sublease dated MARCH 16, 2004 (the Sublease Agreement, as amended, is referred to as the "Sublease") for a portion of the Leased Premises (the "Subleased Premises")."

2. Amendment of the First Paragraph of Section 1. The first paragraph of Section 1 of the Leasehold Lease (including subparagraphs (a), (b) and (c) is deleted in its entirety and replaced with the following: "This Leasehold Lease is for the term beginning on the Sublease Commencement Date and terminating on the Sublease Termination Date, unless earlier terminated as provided in Section 25 of the Sublease."

3. Amendment of the Second Paragraph of Section 1. The second paragraph of Section 1 of the Leasehold Lease is amended by deleting the first sentence in its entirety and replacing it with the following: "During the term, Lessee agrees to pay to Lessor the monthly rental amounts set forth as the Leasehold Improvements Allocation, as adjusted by the Leasehold Improvements Allocation Reduction (2004 Amendment), in Exhibit B of the Sublease (the "Leasehold Rent") on or before the first day of each month."

4. Amendment of Section 2. The first and second sentences of Section 2 of the Leasehold Lease is amended by deleting the phrase "Primary Space, Secondary Space and the Tertiary Space" and replacing it with the phrase "Primary Space and Secondary Space"

each time they occur. The first sentence of Section 2 is amended by deleting the reference therein to "Exhibit B" and replacing it with a reference to "Exhibit A" attached hereto. The third sentence of Section 2 is deleted in its entirety and replaced with the following: "Lessor shall have no further obligations with respect to the Equipment after the Sublease Commencement Date."

5. Amendment of Section 3 (a). Section 3(a) is amended by deleting the reference therein to "Exhibit B" and replacing it with a reference to "Exhibit A" attached hereto.

6. Amendment of Section 3 (d)(i). The first sentence of Section 3(d)(i) of the Leasehold Lease is amended by deleting the phrase "for the Primary Space, Secondary Space and Tertiary Space" and replacing it with the phrase "for the Primary Space and Secondary Space". The second sentence of Section 3(d)(i) of the Leasehold Lease is amended by deleting the phrase "and in the event the Lessee elects to exercise its option to sublease the Tertiary Space, January 1, 2007 with respect to Equipment located in the Tertiary Space".

7. Amendment of Section 3 (d)(iv). The second sentence of Section 3(d)(i)of the Leasehold Lease is amended by deleting the phrase "the Primary Space, Secondary Space and Tertiary Space" and replacing it with the phrase " the Primary Space and Secondary Space".

8. Amendment of Section 3 (e)(i). Section 3(e)(i) of the Leasehold Lease is amended by deleting the phrase "the Primary Space, Secondary Space and Tertiary Space" and replacing it with the phrase " the Primary Space and Secondary Space". Section 3(i) is further amended by deleting the reference therein to "Schedule C" and replacing it with a reference to "Exhibit A" attached hereto.

9. Amendment of Section 3 (f)(iii). Section 3(f)(iii) of the Leasehold Lease is amended by (a) deleting the reference to "Exhibit C" and replacing it with a reference to "Exhibit B" attached hereto, and (b) deleting the phrase "after the earlier of the Sublease Termination Date or the Lessee's leasing of the Tertiary Space" and replacing it with "after the Sublease Termination Date".

10. Amendment of the Section 10. The second sentence of Section 10 is amended by deleting the phrase "34 Commerce Way, Woburn, Massachusetts 01801, Attention: Mr. Neal Gordon" and replacing it with the following: "3 Forbes Road, Lexington, Massachusetts 02421, Attention: SVP of Operations".

11. Amendment of Exhibit A. Exhibit A to the Leasehold Lease is deleted in its entirety and replaced with Exhibit A attached hereto.

12. Amendment of Exhibit B. Exhibit B to the Leasehold Lease is deleted in its entirety and replaced with Exhibit B attached hereto.

13. Amendment of Exhibit C. Exhibit C to the Leasehold Lease is deleted in its entirety.

14. Prime Sublessor Consent. This Amendment shall be contingent upon the Sublessor's receipt of the Prime Sublessor's written consent to this Amendment.

15. Confirmation. Except as amended hereby, the Leasehold Lease is hereby confirmed and continues in full force and effect.

16. Counterparts. This Amendment may be executed in one or more counterparts which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment, as a sealed instrument, as of the date first above written.

LESSOR:

Antigenics, Inc., a Massachusetts corporation

By: /s/ Jeff D. Clerk
Name: Jeff D. Clerk
Title: CFO

LESSEE:

GTC Biotherapeutics, Inc.

By: /s/ John B. Green
Name: John B. Green
Title: Illegible

Exhibit A
Leasehold Lease Agreement
Breakdown of Equipment by Room
Updated: December 1, 2003

Space	Room Equipment	Tag Number	Serial Number	Vendor
Illegible Facility - Second Floor	**246** 6’ BSC (Ducted)	1226 Cambridge	56-1530IV	
	246 4’ BSC (Ducted)	4223 Aquila		Nuaire
	246 1 Getinge Autoclave	4220 Aquila		Getinge
Illegible search Labs - Second Floor				
	260 Fume Hood	No Tag		Labconco
	262 1- 4’ BSC (Not ducted)	4208 Aquila		Nuaire
	262 1-6’BSC (Not Ducted)	4209 Aquila		Nuaire
	264 Cold Room			Bally

Antigenics, Inc.
Leasehold Lease Agreement - Exhibit B
Additional Rent - Leasehold Improvements
Updated: November 14, 2003
PRIMARY SPACE

	Total Spending	PRIMARY SPACE Res & Admin 3rd Floor
Gross Fixed Assets		
Leasehold Improvements	5,358,608	1,303,237
Total Gross Fixed Assets	5,358,608	1,303,237
Accum. Depr / Amort @ 12/31/01		
Leasehold Improvements	(1,370,825)	(343,150)
Total Accum Depr / Amort	(1,370,825)	(343,150)
Net Gross Fixed Assets	$ 3,987,783	$ 960,087
Net Equipment & Leasehold Improvements	**$ 3,987,783**	**$ 960,087**
Lease Months Remaining @ 12/31/01		**104**
Amortization of LHI per Month		**$ 9,231.61**

Assets-Sublease Schedule Q4 03 Amendment

Assets @ 12 31 01

Antigenics, Inc.
Leasehold Lease Agreement - Exhibit B (continued)
Additional Rent - Leasehold Improvements
Updated: November 14, 2003
SECONDARY SPACE

	Total Spending	Res & Admin 3rd Floor	SECONDARY SPACE Research 2nd Floor	SECONDARY SPACE E-Prise Space 2nd Floor
Gross Fixed Assets				
Leasehold Improvements	5,358,608	1,303,237	947,178	195,436
Total Gross Fixed Assets	5,358,608	1,303,237	947,178	195,436
Accum. Depr / Amort @ 12/31/02				
Leasehold Improvements	(1,818,334)	(451,063)	(321,405)	(57,481)
Total Accum Depr / Amort	(1,818,334)	(451,063)	(321,405)	(57,481)
Net Gross Fixed Assets	$ 3,540,274	$ 852,174	$ 625,773	$ 137,955
Net Equipment & Leasehold Improvements	**$ 3,540,274**	**$ 852,174**	**$ 625,773**	**$ 137,955**
Lease Months Remaining @ 12/31/02				**92**
Amortization of LHI per Month				**$ 8,301.39**

Assets-Sublease Schedule Q4 03 Amendment

Assets @ 12 31 02

EXHIBIT B

Antigenics Sublease to GTC Biotherapeutics Inc.
Calculation of Profit Sharing to Landlord

Period	Landlord's 50% Share
July 02	0.00
August 02	0.00
September 02	0.00
October 02	0.00
November 02	2,146.64
December 02	2,146.64
January 03	4,623.17
February 03	4,623.17
March 03	4,623.17
April 03	4,623.17
May 03	4,623.17
June 03	4,623.17
July 03	4,623.17
August 03	4,623.17
September 03	4,623.17
October 03	4,623.17
November 03	4,623.17
December 03	4,623.17
January 04	4,623.17
February 04	4,623.17
March 04	4,623.17
April 04	3,373.17
May 04	3,373.17
June 04	3,373.17
July 04	3,373.17
August 04	3,373.17
September 04	3,373.17
October 04	3,373.17
November 04	3,373.17
December 04	3,373.17
January 05	3,373.17
February 05	3,373.17
March 05	3,373.17
April 05	3,373.17
May 05	3,373.17
June 05	3,373.17
July 05	3,373.17
August 05	3,373.17
September 05	3,373.17
October 05	3,373.17
November 05	3,373.17
December 05	3,373.17
January 06	3,373.17
February 06	3,373.17
March 06	3,373.17
April 06	3,373.17
May 06	3,373.17
June 06	3,373.17
July 06	3,373.17
August 06	3,373.17
September 06	3,373.17
October 06	3,373.17
November 06	3,373.17
December 06	3,373.17
January 07	3,373.17
February 07	3,373.17
March 07	3,373.17
April 07	3,373.17

May 07	3,373.17
June 07	3,373.17
July 07	3,373.17
August 07	3,373.17
September 07	3,373.17
October 07	3,373.17
November 07	3,373.17
December 07	3,373.17
January 08	3,373.17
February 08	3,373.17
March 08	3,373.17
April 08	3,373.17
May 08	3,373.17
June 08	3,373.17
July 08	3,373.17
August 08	3,373.17
September 08	3,373.17
October 08	3,373.17
November 08	3,373.17
December 08	3,373.17
January 09	3,373.17
February 09	3,373.17
March 09	3,373.17
April 09	3,373.17
May 09	3,373.17
June 09	3,373.17
July 09	3,373.17
August 09	3,373.17
September 09	3,373.17
October 09	3,373.17
November 09	3,373.17
December 09	3,373.17
January 10	3,373.17
February 10	3,373.17
March 10	3,373.17
April 10	3,373.17
May 10	3,373.17
June 10	3,373.17
July 10	3,373.17
August 10	3,373.17
September 10	3,373.17

Assumes that amendment to GTC sublease is effective on or about 04/01/04.
Assumes that GTC does not make election (by 07/01/06) to terminate sublease on 12/31/06.

Exhibit 10.14

Side Letter

Antigenics Inc. ("Antigenics"), a Massachusetts corporation with an address of 3 Forbes Road, Lexington, Massachusetts 02421 and which is a wholly-owned subsidiary of Antigenics Inc., a Delaware corporation and GTC Biotherapeutics, Inc. ("GTC"), a Massachusetts corporation, whose mailing address is 175 Crossing Boulevard, Suite 410, Framingham, Massachusetts 01702 are simultaneously entering into a First Amendment of Sublease dated as of March 16, 2004 (the "Sublease Amendment") and a First Amendment of Leasehold Lease dated as of March 16, 2004 (the "Leasehold Lease Amendment"). Antigenics agrees that, within three (3) business days of receipt by Antigenics of the written consent of NDNE 9/90 Corporate Center LLC to the Sublease Amendment and the Leasehold Lease Amendment, including without limitation approval of the modification to the building monitoring system described in Paragraph 20 of the Sublease Amendment, Antigenics will make a payment of Two Hundred Thousand Dollars ($200,000) to GTC by wire transfer of immediately available funds pursuant to the following instructions:

Bank Name: Silicon Valley Bank
Bank Address: One Newton Executive Park
Newton, MA 02462
ABA#: 121-140-399
Account#: 3300345727
Beneficiary Name: GTC Biotherapeutics, Inc.

In addition, Antigenics will reimburse GTC for its reasonable legal fees in connection with the Sublease Amendment, the Leasehold Lease Amendment and this Side Letter within three (3) business days of receipt by Antigenics of written request by GTC accompanied by invoices by GTC's attorney.

IN WITNESS WHEREOF, this Side Letter is executed as of March 16, 2004.

ANTIGENICS:
Antigenics Inc., a Massachusetts corporation

By: /s/ Jeff D. Clark
Name: JEFF D. CLARK
Title: CFO

GTC:
GTC Biotherapeutics, Inc.

By: /s/ John B. Green
Name: JOHN B. GREEN
Title: SVP and CFO

Exhibit 10.15

Antigenics Consent Agreement

Dated as of February 28, 2007

GENERAL ELECTRIC CAPITAL CORPORATION
83 Wooster Heights Road
Fifth Floor
Danbury, CT 06810

Re: (a) Sublease Agreement dated July 16, 2002, by and between Antigenics, Inc., a Massachusetts corporation, as sublandlord ("Sublandlord"), and GTC Biotherapeutics, Inc., a Massachusetts corporation, as subtenant ("Tenant"), as amended by First Amendment to Sublease dated March 16, 2004 (as so amended and as affected by that that certain Consent to Sublease dated as of July 18, 2002, among Sublandlord, Tenant and NDNE 9/90 Corporate Center LLC, the "Sublease"), pertaining to certain premises located at 175 Crossing Boulevard, Framingham, Massachusetts (the "Premises"); and

(b) Antigenics Leasehold Lease dated July 19, 2002, by and between Sublandlord and Tenant, as amended by First Amendment to Leasehold Lease dated as of March 16, 2004 (as so amended, the "Leasehold Lease", and, together with the Sublease, the "Leases").

Ladies and Gentlemen:

The Tenant has informed the Sublandlord that General Electric Capital Corporation (the "Financier"), has extended a lease, loan and/or other credit facilities (as the same may be hereafter amended, modified or replaced, collectively, the "Financing") to the Tenant, and that the Tenant has agreed to obtain this Antigenics Consent Agreement from the Sublandlord. The Sublandlord understands that in connection with the Financing, the Tenant and the Financier have entered into a lease, security agreement and/or similar agreements (the "Financing Agreements") whereby, among other things, the Tenant has granted to the Financier a security interest in all of the Tenant's tangible and intangible personal property other than the Tenant's intellectual property (the "Collateral"), and the Financier shall have ownership of, a first lien on or other paramount rights to the equipment and other property described in the Financing Agreements (together with the Collateral, the "Personal Property"), subject only to the Tenant's rights therein as provided in the Financing Agreements. The Personal Property, as defined herein, shall not include, without limitation, any security deposit delivered to the Sublandlord as security for the Tenant's obligations under the Leases, any fixtures or equipment owned by the Landlord or the Sublandlord which constitutes a part of the Property or any Property systems such as heating, ventilation, air-conditioning, plumbing, mechanical, electrical, or other equipment that is so affixed or related to the real estate that it constitutes real property.

Sublandlord hereby certifies and confirms to and agrees with the Financier and the Tenant as follows:

1. The Sublandlord hereby consents to the Tenant's grant to the Financier of a security interest in the Personal Property, to the extent that the interest of the Financier in the Personal Property constitutes a security interest under applicable law, and subordinates to the Financier any and all liens and all rights which the Sublandlord now has or may hereafter acquire in the Personal Property related to the Financing, whether by contract or otherwise, and agrees that the Personal Property is and shall remain personal property of the Tenant or the Financier, as applicable, at all times while the Financing remains outstanding.

2. Subject to the rights of Tenant, the Sublandlord at all times during the term of the Leases consents to the entry by Financier and its agents and representatives onto the Premises to inspect, remove or dispose of the Personal Property, provided, that, during such period of entry, Financier shall pay to Sublandlord any basic rent and additional rent due under the Sublease pro-rated on a per diem basis determined on a 30-day month if Tenant is in default of its obligations to pay such amounts to Sublandlord, and shall provide and retain liability and property insurance coverage, electricity and heat to the extent required by the Sublease if Tenant is in default of its obligations under the Sublease to provide any of such items, and such amounts paid by Financier to Sublandlord shall exclude any rent adjustments, indemnity payments or similar amounts for which the Tenant remains liable under the Leases for default, holdover status or other similar charges. In no event, however, shall the Financier (or any of its agents, contractors or employees) conduct a public or private sale of such Personal Property on the Premises, provided that nothing set forth herein shall restrict prospective buyers accompanying a representative of Financier to the Premises to appraise the Personal Property for potential purchase on the condition that not more than one prospective buyer accompany the Financier at any one time. In the event the Sublease shall be terminated for the Tenant's default or otherwise, Sublandlord shall, either before or after such termination, give the Financier notice of such termination, and the Financier or its representatives shall have the right to enter onto the Premises for the purposes provided in the first sentence of this paragraph 2 for a period not exceeding twenty (20) days after receipt of such notice, provided the Financier and its agents and representatives are insured, and provided that for the period that the Financier occupies the Premises, the Financier shall shall pay to Sublandlord any basic rent and additional rent due under the Sublease pro-rated on a per diem basis determined on a 30-day month if Tenant is in default of its obligations to pay such amounts to Sublandlord, and shall provide and retain liability and property insurance coverage, electricity and heat to the extent required by the Sublease if Tenant is in default of its obligations under the Sublease to provide any of such items, and such amounts paid by Financier to Sublandlord shall exclude any rent adjustments, indemnity payments or similar amounts for which the Tenant remains liable under the Leases for default, holdover status or other similar charges. The Financier hereby agrees that in the event that any of the Personal Property remains in the Premises after the termination of the Sublease, subject to Financier's rights herein to enter the Premises as aforesaid, at the Sublandlord's option, the Personal Property may thereafter be removed and retained or disposed of by the Sublandlord subject to the Financier's lien.

3. In the event that the Financier shall enter or remove any or all of the Personal Property from the Premises, the Financier shall repair any damage to the Premises resulting from Financier's entry onto the Premises or removal of the Personal Property. The Financier shall indemnify and hold harmless Sublandlord from and against all loss, cost, liability and expense, including reasonable attorneys' fees, resulting from actions of the Financier or its representatives in connection with its or their entry onto the Premises or the Financier's removal of the Personal Property therefrom. Nothing set forth herein shall require the Financier to indemnify or hold Sublandlord harmless for any loss, cost, liability or expense arising out of or resulting from the Sublandlord's intentional misconduct or gross negligence. Any authorized entry by the Financier will be conducted in a manner that will not unreasonably disrupt the activities of any of the tenants or occupants of the Property of which the Premises is a part.

4. No action by Financier pursuant to this Antigenics Consent Agreement shall be deemed to be an assumption by Financier of any obligation under the Leases, and, except as expresssly provided in this Antigenics Consent Agreement, Financier shall not have any obligation to Sublandlord.

5. Tenant consents to all of the terms and conditions of this Antigenics Consent Agreement.

6. The Sublandlord has not assigned, transferred or hypothecated its interest under the Leases such that Sublandlord would not have the full right, power and authority to execute and deliver the within consent.

7. This Antigenics Consent Agreement shall be governed and controlled by and interpreted under the laws of the Commonwealth of Massachusetts and shall inure to the benefit of and be binding upon the successors, heirs and assigns of the Sublandlord, the Tenant and the Financier.

8. Whenever, by the terms of this Agreement, notices are to be given to any party, such notices shall be in writing and shall be sent by registered or certified mail, postage pre-paid, return receipt requested, or by a recognized overnight delivery service such as Federal Express. Any such notice shall be effective upon delivery, attempted delivery or refusal whichever shall first occur.

9. Nothing contained herein shall modify, amend or release any of the obligations of the Tenant under the Leases, and the Tenant shall remain fully and completely liable and obligated with respect thereto.

10. This Agreement may be executed in any number of counterparts, each of which shall constitute an original for all purposes.

GTC BIOTHERAPEUTICS, INC.,
a Massachusetts corporation

By: /s/ John B. Green, Jr.
Name: John B. Green, Jr.
Title: Senior Vice President, Chief Financial Officer and Treasurer

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Danijela Gjenero
Name: DANIJELA GJENERO
Title: DULY AUTHORIZED SIGNATORY

ANTIGENICS, INC.

By: /s/ John Cerio
Name: John Cerio
Title: Vice President

Exhibit 10.18.1

Amendment No. 1
to the Exclusive License Agreement of July 1, 1988

THIS IS AMENDMENT No. 1, dated March 12, 1990, to the Exclusive License Agreement of July 1, 1988 (hereinafter "Exclusive License Agreement") between the BOARD OF REGENTS of THE UNIVERSITY OF TEXAS SYSTEM (hereinafter "BOARD"), a governing board established under the laws of the state of Texas, THE UNIVERSITY OF TEXAS SYSTEM CANCER CENTER (hereinafter "UTSCC"), now THE UNIVERSITY OF TEXAS Mi). ANDERSON CANCER CENTER (hereinafter a component institution of THE UNIVERSITY OF TEXAS SYSTEM, and ARGUS PHARMACEUTICALS, INC. (hereinafter "ARGUS"), a Delaware corporation whose address is 2202 Timberloch Place, Suite 118, The Woodlands, Texas 77380 (formerly 2170 Buckthorne Place, Suite 350-A, The Woodlands, Texas 77380).

WITNESSETH:

WHEREAS BOARD is the sole assignee, pursuant to an Agreement with The University of Houston dated December 1, 1989, (the "Assignment Agreement") of the U.S. patent application Serial Number [**] with an assigned filing date of [**], and also designated by MDA as [**], with named inventors [**]; and

WHEREAS ARGUS and MDA are also parties to a Research and Development Contract dated July 1, 1988, (hereinafter "R&D Contract") related to the Exclusive License Agreement; and

WHEREAS the subject matter of said patent application was conceived, discovered or reduced to practice during the term of the R&D Contract by at least one of the Researchers/Inventors but not as the result of funding under the R&D Contract and, therefore, is NEW TECHNOLOGY as defined in the R&D Contract; and

WHEREAS MDA provided ARGUS with a New Technology Notice and ARGUS provided MDA with Notice of Interest in said NEW TECHNOLOGY pursuant to Paragraph 5.3 of the R&D Contract; and

WHEREAS MDA and ARGUS have concluded negotiations for the acquisition by ARGUS of rights to said NEW TECHNOLOGY pursuant to Paragraph 5.3 of the R&D Contract,

NOW, THEREFORE, the parties hereby agree to the following:

The Exclusive License Agreement is amended to include U.S. patent application Serial Number [**], filed [**], and the technology, inventions, know- how, processes, and formulae relating thereto, within the definition of Board Patent Rights and Licensed Subject Matter as contained therein. Such patent application and technology are therefore subject to the license granted by MDA to ARGUS with respect to BOARD Patent Rights, BOARD Technical Information, and Related Technology, and, except as otherwise provided herein, shall be governed by the terms of the Exclusive License Agreement in all respects.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

In consideration thereof, the sufficiency of which is hereby acknowledged, ARGUS shall pay royalties to MDA pursuant to the royalty schedule of Article III of the Exclusive License Agreement on the sales of Products using said NEW TECHNOLOGY, provided, however, that MDA agrees to distribute such royalty payments in accordance with the terms of the Assignment Agreement, and, to the extent authorized by the constitution and laws of the state of Texas, agrees to indemnify Argus from any liability for failure to do so.

Article XI, REPRESENTATIONS AND WARRANTIES, of the Exclusive License Agreement is not applicable to the NEW TECHNOLOGY that is the subject of this Amendment No. 1.

Except as provided herein, the terms of the Exclusive License Agreement are not affected by this Amendment No. 1 and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment No. 1, effective as of the date hereinabove, and executed by their duly authorized representatives three (3) original counterparts, each of which shall be considered an original.

THE UNIVERSITY OF TEXAS
MD ANDERSON CANCER CENTER

By: /s/ David J. Bachrach
David J. Bachrach
Executive Vice President
for Administration and Finance

ARGUS PHARMACEUTICALS, INC.

By: /s/ George Goldenberg
George Goldenberg
President

APPROVED AS TO CONTENT

By: /s/ William Doty
William Doty
Director, Technology Development

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: /s/ Michael E. Patrick
Michael E. Patrick
Executive Vice Chancellor
For Asset Management

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

(09—12—90)

SCHEDULE I
TO
EXCLUSIVE LICENSE AGREEMENT
of July 1, 1988

1. [**] Filed [**]. (UTSC: [**])
2. [**]. Filed [**]. (UTSC:[**])
3. [**], Filed [**] (UTCC: [**] – [**])
4. [**]. Filed [**]. (UTCC: [**] – [**])
5. [**]. Filed [**]. (UTSC: [**])
6. [**]. (UTSC: [**])
7. [**]. (UTSC: [**])

Patents Sublicensed to Argus Pharmaceuticals, Inc. Subject to Agreements Between The University of Texas M.D. Anderson Cancer Center and Ohio State University Research Foundation:

1. [**],. U.S. Patent [**]. Filed [**].
2. [**], U.S. Patent No. [**]. Filed [**].
3. [**], U.S. Patent No. [**]. Filed [**].
4. [**], U.S. Patent No. [**]. Filed [**].
5. [**], U.S. Patent No. [**]. Filed [**].
6. [**], U.S. Patent No. [**]. Filed [**].

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

(09—12—90)

SCHEDULE I
TO
EXCLUSIVE LICENSE AGREEMENT
of October 15, 1986

1. [**]. (UTSC: [**])

2. [**]. ([**])

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Amendment No. 2
to the Exclusive License Agreement of July 1, 1988

THIS IS AMENDMENT No. 2, dated October 8, 1990, to the Exclusive License Agreement of July 1, 1988 (hereinafter "Exclusive License Agreement") between the Board of Regents of The University of Texas System (hereinafter "BOARD"), a governing board established under the laws of the state of Texas, The University of Texas System Cancer Center (hereinafter "UTSCC"), now The University of Texas M.D. Anderson Cancer Center (hereinafter "MDA"), a component institution of The University of Texas System, and Argus Pharmaceuticals, Inc. (hereinafter "ARGUS"), a Delaware corporation whose address is 3400 Research Forest Drive, The Woodlands, Texas 77381 (formerly 2202 Timberloch Place, Suite 118, The Woodlands, Texas 77380, formerly 2170 Buckthorne Place, Suite 350-A, The Woodlands, Texas 77380).

RECITATIONS:

1. BOARD is the licensee with the right to sublicense of the patents

   U.S. [**] issued [**];
   U.S. [**] issued [**]
   U.S. [**] issued [**];
   U.S. [**] issued [**],

   pursuant to an Agreement with the Ohio State University Research Foundation ("OSURF') dated January 1, 1990, a copy of which is attached hereto as Exhibit I;

2. BOARD is the sublicensee with the right to further sublicense of the patents

   U.S.[**] issued [**];
   U.S. [**] issued [**],

   pursuant to an Agreement with OSURF dated June 15, 1990, a copy of which is attached hereto as Exhibit II, which are subject to a license agreement between OSURF and The United States Department of Health and Human Services ("DHHS"); and

3. The Agreements with OSURF referenced in the first two recitations above shall hereinafter be referred to the "OSURF Agreements", and the patents referenced in the first two recitations above shall hereinafter be referred to as the "Patents"; and

4. The Exclusive License Agreement contemplates inclusion of the Patents within the Licensed Subject Matter as defined in the Exclusive License Agreement and therefore subject to the license granted by MDA to ARGUS to BOARD Patent Rights, BOARD Technical Information, and Related Technology,

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

NOW, THEREFORE, the parties hereby agree to the following:

The Exclusive License Agreement is amended to include BOARD's rights with respect to the Patents within the Licensed Subject Matter as defined in the Exclusive License Agreement and therefore subject to the license granted by MDA to ARGUS to BOARD Patent Rights, BOARD Technical Information, and Related Technology, subject to the terms and provisions of the OSURF Agreements and, for Patents U.S. [**] issued [**], and U.S [**] issued [**], further subject to the provisions of the license agreement between OSURF and DHHS.

In consideration thereof, the sufficiency of which is hereby acknowledged, ARGUS shall pay royalties to MDA pursuant to the royalty schedule of Article III of the Exclusive License Agreement on the sales of Products using the Patents. MDA shall pay royalties directly to OSURF (as provided in the OSURF Agreements), subject to receipt by MDA of royalties from Argus on the sales of Products (as defined in the Exclusive License Agreement) using the Patents (as defined above in this Amendment 2).

Article XI, REPRESENTATIONS AND WARRANTIES, of the Exclusive License Agreement is not applicable to the Patents that are the subject of this Amendment No. 2.

Except as provided herein, the terms of the Exclusive License Agreement are not affected by this Amendment No. 2 and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment No. 2, effective as of the date hereinabove, and executed by their duly authorized representatives three (3) original counterparts, each of which shall be considered an original.

THE UNIVERSITY OF TEXAS
MD ANDERSON CANCER CENTER

By: /s/ David J. Bachrach
David J. Bachrach
Executive Vice President
for Administration and Finance

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: /s/ George Goldenberg
George Goldenberg
President

APPROVED AS TO CONTENT

By: /s/ William Doty
William Doty
Director, Technology Development

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: /s/ Michael E. Patrick
Michael E. Patrick
Executive Vice Chancellor
for Asset Management

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Exhibit I

LICENSE AGREEMENT

THIS AGREEMENT is made by and between the Ohio State University Research Foundation ("OSURF") whose address is 1314 Kinnear Road, Columbus, Ohio 43212- 1194 and BOARD OF REGENTS ("BOARD") OF THE UNIVERSITY OF TEXAS SYSTEM ("SYSTEM"), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, and The University of Texas M.D. Anderson Cancer Center, a component Institution of the SYSTEM ("LICENSEE").

WITNESSETH:

Whereas OSURF owns or controls certain Subject Patents which were developed at OSURF in part by Dr. [**], now an employee of LICENSEE;

Whereas OSURF desires to have the Subject Patents developed and used for the benefit of LICENSEE, the inventor, BOARD, and the public; and

Whereas LICENSEE wishes to obtain a license from OSURF to practice and sublicense for commercial development the Subject Patents and any inventions made by Dr. Priebe or his co-workers that could only be practiced lawfully by LICENSEE or LICENSEE's sublicensees with a license under one or more of the Subject Patents;

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

I.

This agreement shall be effective as of January 1, 1990 subject to approval by BOARD.

II.

OSURF grants to BOARD and LICENSEE a non-exclusive license under the Subject Patents for Dr. [**] and his co-workers to practice the inventions covered by such Subject Patents at LICENSEE for research purposes only, including sponsored research, with the right to sublicense both research/development activities and commercial manufacture, use and/or sale under one or more of such Subject Patents to licensee(s) of any invention(s) made by Dr. [**] or his coworkers at LICENSEE to the extent that such sublicense is reasonably required in order to develop and/or commercialize such invention(s) of Dr. [**] or coworkers, provided that LICENSEE will notify OSURF promptly of the granting of each sublicense under the Subject Patents and will pay to OSURF a royalty of [**] of net sales, under a sublicense of Subject Patents granted by LICENSEE, of product(s) and/or service(s) covered by one or more of Subject Patents. OSURF makes no representations or warranties of any kind with respect to Subject Patents or any results, products, processes, services or uses obtained, made, performed or used in accordance with their teachings.

III.

Any product manufactured, imported or sold under authority of this license and covered by any claim of a Subject Patent will be marked with the number of each such patent. Neither LICENSEE nor any sublicensee(s) of LICENSEE under any Subject Patent(s) will use the name of OSURF in connection with promotion or sale of any product(s) or service(s) the manufacture, import, sale or use of which is subject to this license agreement, except with the prior express written approval of OSURF.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

IV.

This license shall be effective upon Effective Date herein above. This license, and the accrual of sublicense royalties, shall terminate with respect to each of the Subject Patents upon the expiration of such patent. This license may also be terminated by OSURF for material breach of its terms, including termination with respect to any sublicense for failure by LICENSEE to pay royalties owing to OSURF with respect to such sublicense within six (6) months of their accrual, upon not less than two months written notice to LICENSEE specifying the grounds for termination, provided that such termination will not be effective if the breach is cured within one month after such notice.

V.

Subject patents are:

U.S. [**] issued [**];
U.S. [**] issued [**];
U.S. [**] issued [**];
U.S. [**] issued [**];

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute three (3) original counterparts of this AGREEMENT, each of which is of equal dignity.

THE UNIVERSITY OF TEXAS
MD ANDERSON CANCER CENTER

By: /s/ David J. Bachrach
David J. Bachrach
Executive Vice President
for Administration and Finance

OHIO STATE UNIVERSITY RESEARCH
FOUNDATION

By: /s/ [Illegible] K. Meadow
Name:
Title:

APPROVED AS TO CONTENT

By: /s/ William Doty
William Doty
Director, Technology Development

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: /s/ Michael E. Patrick
Michael E. Patrick
Executive Vice Chancellor
for Asset Management

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Exhibit II

SUBLICENSE AGREEMENT

THIS AGREEMENT is made by and between the Ohio State University Research Foundation ("OSURF") whose address is 1314 Kinnear Road, Columbus, Ohio 43212- 1194 and BOARD OF REGENTS ("BOARD") OF THE UNIVERSITY OF TEXAS SYSTEM ("SYSTEM"), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, and The University of Texas M.D. Anderson Cancer Center, a component Institution of the SYSTEM ("SUBLICENSEE").

WITNESSETH

Whereas OSURF is the exclusive licensee, under license agreements between OSURF and the United States Department of Health and Human Services ("DHHS"), to certain Subject Patents which were developed at OSURF in part by Dr. Waldemar Priebe, now an employee of SUBLICENSEE;

Whereas OSURF desires to have the Subject Patents developed and used for the benefit of SUBLICENSEE, the inventor, BOARD, and the public; and

Whereas SUBLICENSEE wishes to obtain a sublicense from OSURF to practice and sublicense for commercial development the Subject Patents and any inventions made by Dr. [**] or his co-workers that could only be practiced lawfully by SUBLICENSEE or SUBLICENSEE's sublicensees with a license under one or more of the Subject Patents;

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

I.

This agreement shall be effective as June 15, 1990, subject to approval by DHHS and BOARD.

II.

OSURF grants to BOARD and SUBLICENSEE a non-exclusive sublicense under the Subject Patents for Dr. [**] and his co-workers to practice the inventions covered by such Subject Patents at SUBLICENSEE for research purposes only, including sponsored research, with the right to sublicense both research/development activities and commercial manufacture, use and/or sale under one or more of such Subject Patents to licensee(s) of any invention(s) made by Dr. [**] or his co-workers at SUBLICENSEE to the extent that such sublicense is reasonably required in order to develop and/or commercialize such invention(s) of Dr. [**] or co-workers, provided that SUBLICENSEE will notify OSURF promptly of the granting of each sublicense under the Subject Patents and will pay to OSURF a royalty of [**] percent [**] of net sales, under a sublicense of Subject Patents granted by BOARD, of product(s) and/or service(s) covered by one or more of Subject Patents. OSURF makes no representations or warranties of any kind with respect to Subject Patents or any results, products, processes, services or uses obtained, made, performed or used in accordance with their teachings. OSURF represents and warrants that it has the right to grant this sublicense pursuant to the terms hereof.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

III.

SUBLICENSEE agrees to use its reasonable best efforts to sublicense through BOARD the Subject Patents, for the purpose of commercial development of the Subject Patents, to Argus Pharmaceuticals, Inc., a corporation organized and doing business under the laws of the State of Texas and having a place of business in The Woodlands, Texas.

IV.

Any product manufactured, imported or sold under authority of this license and covered by any claim of a Subject Patent will be marked with the number of each such patent. Neither BOARD or SUBLICENSEE nor any sublicensee(s) of BOARD or SUBLICENSEE under any Subject Patent(s) will use the name of OSURF or DHHS in connection with promotion or sale of any product(s) or service(s) the manufacture, import, sale or use of which is subject to this license agreement, except with the prior express written approval of OSURF.

V.

This license shall be effective upon Effective Date herein above. This license, and the accrual of sublicense royalties, shall terminate with respect to each of the Subject Patents upon the expiration of such patent. This license may also be terminated by OSURF for material breach of its terms, including termination with respect to any sublicense for failure by SUBLICENSEE to pay royalties owing to OSIJRF with respect to such sublicense within six (6) months of their accrual, upon not less than two months written notice to SUBLICENSEE specifying the grounds for termination, provided that such termination will not be effective if the breach is cured within one month after such notice.

VI.

Subject patents are:

U.S. [**] issued [**]
U.S. [**] issued [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute three (3) original counterparts of this AGREEMENT, each of which is of equal dignity.

THE UNIVERSITY OF TEXAS
MD ANDERSON CANCER CENTER

By: /s/ David J. Bachrach
David J. Bachrach
Executive Vice President
for Administration and Finance

APPROVED AS TO CONTENT

By: /s/ William Doty
William Doty
Director, Technology Development

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: /s/ Michael E. Patrick
Michael E. Patrick
Executive Vice Chancellor
for Asset Management

OHIO STATE UNIVERSITY RESEARCH
FOUNDATION

By: /s/ John W. Tipka
John W. Tipka
Acting Director
Sponsored Programs Administration

.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

THE UNIVERSITY OF TEXAS
MD ANDERSON
CANCER CENTER

Legal Services (Internal) – 537
Corporate Affairs
Intellectual Property
Risk Management
Telephone: (713) 794-4000
FAX (713) 799-8801

VIA FAX

February 10, 1993

Mr. David M. Leech
President and CEO
Argus Pharmaceuticals. Inc.
3400 Research Forest Drive
The Woodlands, Texas 77381

Dear Mr. Leech:

Upon review of the present status of the Exclusive License Agreement dated July 1, 1988, between the Board of Regents of the University of Texas System, The University of Texas M.D. Anderson Cancer Center, and Argus Pharmaceuticals, Inc., the issued United States patents, pending patent applications, and foreign patents and patent applications described in the schedule attached hereto (dated February 8, 1993) are included in the Exclusive License Agreement.

Sincerely,

/s/ Matthew Burr
Matthew Burr, J.D.
Internal Legal Services
Intellectual Property

Attachment

cc: William Doty
Cheryl McCants
Donna Gilberg
Dudley Dobie, Esq.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: ACC: [**] [**] Serial #: [**] Filed: [**] Status: ALD [**]
Parent 4': Patent #': Issued: Last Action: FEE PAID [**]
AKA#: Tax Date: Action 1:
Outside Counsel: KDG Their Ref: USTC:044 Federal Grant #: [**] Action2:
Assignee: University of Texas System Licensee: Argus
Inventor1: [**] Inventor2: [**]. Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**] (As Amended)

ID #: UTMDACC; [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: [**] Last Action: NATIONAL [**]
AKA # Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC: 048 Federal Grant #: [**] Action2: WORKING [**]
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: [**] Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #: UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: PUBLISHED [**]
Parent #: Patent #: Issued: Last Action
AKA#: Tax Date: Action1: REQ EXAM [**]
Outside Counsel; KDG Their Ref: UTSC:048 Federal Grant #: [**] Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: [**] Inventor5: Inventor6:
Inventor7;
Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: [**] Last Action:
AKA#: Tax Date: [**] Action1:
Outside Counsel: KUG Their Ref: UTSC:048 Federal Grant #: [**] Action2:
Assignee: Licensee: Argus
Inventor1: [**] . Inventor2: [**] . Inventor3: [**]
Inventor4: [**]. Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #: UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: [**] Last Action:
AKA#: Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC:053 Federal Grant #: Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor1:
Title: [**]

ID #: UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: PUBLISHED
Parent #: Patent#: [**] Issued: [**] Last Action: FEE PAID [**]
Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC:053 Federal Grant #: Action2:
Assignee: Licensee: Argus
Inventor1 [**]. Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID I: UTMDACC: [**]	[**]		Serial #: [**]	Filed: [**]	Status: PENDING
Parent #I:		Patent #:	Issued:	Last Action:	
AKA#:		Tax Date:		Action1: REQ EXAM [**]	
Outside Counsel: KDG	Their Ref: UTSC:053			Federal Grant #:	Action2:
Assignee:		Licensee: Argus			
Inventor1: [**]		Inventor2: [**]		Inventor3: [**]	
Inventor4:		Inventor5:		Inventor6:	
Inventor7:					

Title: [**]

ID: UTMDACC: [**]	[**].	Serial # [**]		Filed: [**]	Status: EXPIRES [**]
Parent #:		Patent #: [**]	Issued: [**]	Last Action:	
		Tax Date: [**]		Action1:	
Outside Counsel: KDG	Their Ref: UTSC: 053			Federal Grant #:	Action2:
Assignee:		Licensee: Argus			
Inventor1: [**]		Inventor2: [**] .		Inventor3: [**]	
Inventor4:	.	Inventor5:		Inventor6:	
Inventor7:					

Title: [**]

ID #: UTMDACC: [**]	[**]	Serial #: [**]		Filed: [**]	Status: EXPIRES [**]
Parent #		Patent #: [**]	Issued:		Last Action:
AKA#:		Tax Date: [**]			Action1:
Outside Counsel: KDG	Their Ref: UTSC:054	Federal Grant #: [**]			Action2:
Assignee:		Licensee: Argus			
Inventor1: [**].		Inventor2:		Inventor3:	
Inventor4:		Inventor5:		Inventor6:]	
Inventor7:					

Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: [**] Last Action:
AKA#: Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC:054 Federal Grant #: [**] Action2; WORKING [**]
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #: UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: PENDING
Parent #: Patent #: Issued: Last Action:
AKA#: Tax Date: Action1: RfX2 EXAM [**]
Outside Counsel: KDG Their Ref: UTSC:054 Federal Grant #: [**] Action2:
Assignee: Licensee: Argus
Inventor1: [**]. Inventor2: Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #: UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: [**] Last Action:
Tax Date: [**] Action1:
Outside Counsel: KX Their Ref: UTSC:054 Federal Grant #: [**] Action2:
Assignee: Licensee: Argus
Inventor1: [**]. Inventor2: Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #; UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: Last Action:
Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC:056 Federal Grant #: [**] Action2: REQ EXAM [**]
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: [**] Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #; UTHDACC: [**] Serial #: [**] Filed: [**] Status: PUBLISHED [**]
Parent #: Patent #: [**] Issued: Last Action: RESPOND OA [**]
Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref; UTSC:056 Federal Grant #: [**] Action2:
Assignee: Licensee: Argus
Inventorl: [**] Inventor2; [**] Inventor3: [**]
Inventor4: [** Inventor5; Inventor6:
Inventor7:
Title: [**]

ID #: UTHDACC: [**] [**] Serial #: [**] Filed: [**] Status: PENDING
Parent #: Patent #: Issued: Last Action:
AKA#: Tax Date; Action1: REQ EXAM [**]
Outside Counsel: KDG Their Ref: UTSC:056 F Federal Grant #: [**] Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2; [**] Inventor3: [**]
Inventor4: [**] Inventor5: Inventor6:
Inventor7:
Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTHDACC; [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: [**] Last Action:
AKA#: Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC:056 Federal Grant #: [**] Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: [**] Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #: UTMBACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: [**] Last Action:
AKA#: Tax Date: [**] Action1: WORKING [**]
Outside Counsel: KDG Their Ref: UTSC:061 Federal Grant If: Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #: UTMDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: Last Action: NATIONAL [**])
Tax Date: [**] Action1: WORKING [**]
Outside Counsel: XDG Their Ref: UTSC:061 Federal Grant #: Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor1:
Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTMDACC: [**] Serial
[**] #: [**] Filed: [**] Status:
PENDING
Parent #: Patent #: Issued: Last
Action:
AKA#: Tax Date: Action1: REQ EXAM [**]
Outside Counsel: KDG Their Ref: UTSC:061 Federal Grant #: Action2:
Assignee: Licensee: Argus
Inventor1: [[**] Inventor2:
[**] Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor1:
Title: [**]

ID #: UTMDACC: [**] [**]____ Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent I: [**] Issued: [**] Last Action:
AKA#: Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC:061 Federal Grant #: Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor1:
Title: [**]

ID #: UTMDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES
Parent #: Patent #: [**] Issued: [**] Last Action:
Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC:062 Federal Grant #: Action2: WORKING [**]
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTMDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES
Parent #: Patent #: [**] Issued: [**] Last Action:
Tax Date: [**] Action1:
Outside Counsel: KDG Their Ref: UTSC:062 Federal Grant #: Federal Grant #: [**] Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:

Title: [**]

ID #: UTMDACC: [**] [**] Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: Last Action :
AXA# Date: Action1:
Outside Counsel: KDG Their Ref: UTSC:064 Federal Grant #: Action2: WORKING [**]
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor7:

Title: [**]

ID #: UTMDACC: [**] [**] Serial #: [**] Filed: [**] Status: PENDING
Parent #: Patent #: Issued: Last Action:
AKA#1: Tax Date: Action1: REQ EXAM [**]
Outside Counsel: KDG Their Ref: UTSC: 064 Federal Grant #: Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor7:

Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTMDACC: [**] [**]____CON Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: [**] [**] Patent #: [**] Issued: [**] Last Action:
AKA#: Tax Date: [**] Action1:
Outside Counsel: FOG Their Ref: UTSC:150 Federal Grant if: Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3:
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #: UTMDACC: [**] [**]____ Serial #: [**] Filed: [**] Status: PENDING
Parent /1: Patent #: Issued: Last Action: RESPOND OA [**]
AKA#: IDR9O-018 Tax Date: Action1:
Outside Counsel: KDG Their Ref: UTSC:190 Federal Grant #: Action2: NATIONAL [**]
Assignee: University of Texas/Argus Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

ID #: UTMDACC[**] [**]____ Serial #: [**] Filed: [**] Status: EXPIRES [**]
Parent #: Patent #: [**] Issued: [**] Last Action:
AKA#: IDR9O-018 Tax Date:[**] Action1:
Outside Counsel:
KDG Their Ref: UTSC:190 Federal Grant #: Action2:
Assignee: University of Texas/Argus Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTMDACC: [**] [**] Serial #: [**] Filed: [**] Status: PENDING
Parent #: [**] [**] Patent #: Issued: Last Action: RESPOND OA [**]
AKA#: IDR9O-017 Tax Date: Action1:
Outside Counsel: KDG Their Ref: UTSC:191 Federal Grant #: [**] Action2: NATIONAL [**]
Assignee: University of Texas System/NIH Licensee: Argus/Squibb+
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:

Title: [**]

ID #: UTMDACC: [**] [**] Serial #: [**] Filed: [**] Status: PUBLISHED [**]
Parent #: Patent #: Issued Last: Action: RESPOND WO [**]
AKA#: IDR9O-030 Tax Date: Action1:
Outside Counsel: KDG Their Ref: UTSC:208 Federal Grant #: [**] Action2: NATIONAL [**]
Assignee: University of Texas System Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inveritor7:
Title: [**]

ID #: UTMDACC [**] [**] Serial #: [**] Filed: [**] Status: PENDING
Parent #: [**] [**] Patent #: Issued: Last Action:
Tax Date: Action1: CHII [**]
Outside Counsel: KDG Their Ref: UTSC:246 Federal Grant #: [**] Action2: NATIONAL [**]
Assignee: University of Texas/Argus Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: [**] Inventor5: [**] Inventor6:
Inventor7;

Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTMDACC: [**] [**] CIP Serial #: [**] Filed: [**] Status: PENDING
Parent II: [**] [**] Patent #: Issued: Last Action: FORG FILE [**]
AKAI: Tax Date: Action1:
Outside Counsel: KDG Their Ref: UTSC:246 Federal Grant #: Action2:
Assignee: University of Texas/Argus Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3:[**]
Inventor4: [**] Inventor5: [**] Inventor6:
Inventor7:
Title: [**]

ID #: UTMDACC: [**] [**] CON Serial #: [**] Filed: [**] Status: PENDING
Parent #; [**] [**] Patent #/: Issued: Last Action:
AXA#: Tax Date: Action#: RESP OA [**]
Outside Counsel: KDG Their Ref: UTSC:301 Federal Grant #: [**] Action2:
Assignee: University of Texas System/NIH Licensee: Argus/Squibb+
Inventorl: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventorl:
Title:[**]

ID #: UTMDACC: [**] [**] CON Serial #: [**] Filed: [**] Status: PENDING
Parent #: [**] [**] Patent #: Issued: Last Action: RESPOND OA [**]
AKA#: Tax Date: Action1:
Outside Counsel: KDG Their Ref: UTSC:302 Federal Grant #: Action2:
Assignee: University of Texas/Argus Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:
Title: [**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

ID #: UTMDACC: [**] [**] Serial #: [**] Filed[**] Status: PENDING
Parent #: [**] [**] Patent #: Issued: Last Action: RESPOND OA [**]
Tax Date: Action1:
Outside Counsel: DLN Their Ref: UTSC:306 Federal Grant #: [**] Action2: FORG FILE [**]
Assignee: University of Texas System Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor1:
Title: [**]

ID #: UTMDACC: [**] [**] Serial #: Filed: [**] Status: FILED
Parent #: Patent #: Issued: Last Action:
AKA#: 1DR93:015 Tax Date: Action1:
Outside Counsel: KDG Their Ref: UTSC;332 Federal Grant #: Action2:
Assignee: Licensee: Argus
Inventor1: [**] Inventor2: [**] Inventor3: [**]
Inventor4: Inventor5: Inventor6:
Inventor7:
Title:[**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Patents Sublicensed to Argus Pharmaceuticals, Inc. Subject to Agreements Between The University of Texas M.D. Anderson Cancer Center and Ohio State University Research Foundation:

1. [**] U.S. Patent [**], Filed [**].
2. [**], U.S. Patent No. [**], Filed [**].
3. [**], U.S. Patent No. [**]. Filed [**].
4. [**], U.S. Patent No. [**]. Filed [**].
5. [**], U.S. Patent No. [**]. Filed [**].
6. [**], U.S. Patent No. [**]. Filed [**].

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

AMENDMENT NO. 3
TO THE
EXCLUSIVE LICENSE AGREEMENT

This is AMENDMENT NO. 3, effective this 9 day of December, 1993 ("Effective Date"), to the Exclusive License Agreement dated the first day of July, 1988 (hereinafter referred to as the "Agreement"), between THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER (hereinafter referred to as "UTMDACC"), located at Houston, Texas, and which is a component institution of THE UNIVERSITY OF TEXAS SYSTEM (hereinafter referred to as "SYSTEM") which is governed by a BOARD OF REGENTS (hereinafter referred to as "BOARD") and Argus Pharmaceuticals Inc., located at 3400 Research Forest Drive, The Woodlands, Texas, 77381 (hereinafter referred to as "Argus").

RECITATIONS

A. BOARD is the owner of the patent and technology rights of the U.S. Patent Application entitled "[**], SN _____, invented by [**], filed [**], (UTMDACC Ref: [**]) (the "Invention"), developed at the UTMDACC, which Invention relates to formulations of liposomal methyiphosphonate oligonucleotides and their use in the treatment of cancer.

B. Argus is a pharmaceutical company interested in the development and commercialization of lipophilic compounds with medicinal potential, to which end Argus and UTMDACC entered into a Research and Development Contract ("R&D Contract") which is incorporated into the Agreement, and Argus wishes to obtain exclusive rights to the Invention.

C. BOARD wishes to grant Argus exclusive rights to the Invention to promote its practical development for the benefit of the UTMDACC's patients and for the benefit of the people of the state of Texas.

D. The Invention is "Related Technology" under the Agreement (although Argus funding in support of the research resulting in the Invention is attributable to the Discretionary Account provided under the R&D Contract); therefore the Invention is licensed to Argus under this Amendment No. 3 to the Agreement.

E. The Agreement, Amendment No. 1, and Amendment No. 2 thereto are not otherwise modified except as set forth in this Amendment No. 3. The definitions set forth in the Agreement, Amendment No. 1, and Amendment No. 2 shall apply in this Amendment No. 3 except to the extent that a definition herein is specific to this Amendment No. 3.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

NOW, THEREFORE, in consideration for the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree to the following:

1. The Agreement is amended to include within the Grant of Rights at Article II (A) BOARD'S rights in the Invention and information or discoveries covered by patents and/or patent applications relating thereto, whether domestic or foreign, and all divisionals, continuations, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon. The Grant of Rights shall also include BOARD's undivided interest in any patent applications that may be filed, or patents issuing therefrom, owned jointly by Argus and BOARD relating to the invention.

2. Argus shall pay UTMDACC the royalties specified in the Agreement on Net Sales of Products from the Invention, the same as if the Invention had been originally included in the Agreement, and the royalties shall not be reduced in the event of joint invention or ownership by Argus and UTMDACC or BOARD of any subsequent patent applications or patents related to the Invention.

3. Argus shall reimburse UTMDACC for all outstanding (unreimbursed) patent expenses related to the Invention as of the Effective Date of this Amendment No. 3. Argus shall further reimburse UTMDACC for all continuing patent expenses for the Invention for the term of this Amendment No. 3, pursuant to invoicing by UTMDACC.

4. Argus shall use reasonable best efforts to diligently commercialize the Inventions and obtain all required legal and regulatory approvals for Products from the Inventions.

5. The UTMDACC shall have the first option, subject to its own internal review and approval, to perform clinical trials of Products from the Inventions, and to perform other appropriate research on the Inventions that is not conducted by Argus itself.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

OTHERWISE, the terms and provisions of the original Agreement, Amendment No. 1 and Amendment No. 2 thereto shall remain in full force and effect, provided, however, that in the event of a conflict in the terms and conditions between this Amendment No. 3 and the License Agreement, the terms and conditions of this Amendment shall prevail.

IN WITNESS WHEREOF, the parties have executed three (3) original counterparts of this Amendment No. 3, each of which is of equal dignity and effective as of the date first hereinabove written.

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

By: /s/ David J. Bachrach
David J. Bachrach
Executive Vice President For Administration and Finance

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: /s/ Ray Farabee
Ray Farabee
Vice Chancellor and General Counsel

APPROVED AS TO CONTENT

By: /s/ William J. Doty
William J. Doty
Director, Technology Development

By: /s/ Dudley R. Dobie, Jr.
Dudley R. Dobie, Jr.
Manager, Intellectual Property

Argus Pharmaceuticals, Inc.

By: /s/ David Leech
David Leech
President

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

AMENDMENT NO. 5
TO THE
EXCLUSIVE LICENSE AGREEMENT

This is AMENDMENT NO. 5, effective this 9th day of August, 1994 ("Effective Date"), to the Exclusive License Agreement dated the first day of July, 1988 (hereinafter referred to as the "Agreement"), between THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER (hereinafter referred to as "UTMDACC"), located at Houston, Texas, and which is a component institution of THE UNIVERSITY OF TEXAS SYSTEM (hereinafter referred to as "SYSTEM") which is governed by a BOARD OF REGENTS (hereinafter referred to as "BOARD") and Argus Pharmaceuticals Inc., located at 3400 Research Forest Drive, The Woodlands, Texas, 77381 (hereinafter referred to as "Argus").

RECITATIONS

A. BOARD is the owner of the patent and technology rights of the invention entitled [**] invented by Dr. [**] (UTMDACC Ref: UTSC: [**]) (the "Invention"), developed at the UTMDACC, which Invention relates to the novel composition and method of preparing preliposome lyophilizates and their use in improving the characteristics of liposomal suspensions.

B. Argus is a pharmaceutical company interested in the development and commercialization of lipophilic compounds with medicinal potential, to which end Argus and UTMDACC entered into a Research and Development Contract ("R&D Contract") which is incorporated into the Agreement, and Argus wishes to obtain exclusive rights to the Invention.

C. BOARD wishes to grant Argus exclusive rights to the Invention to promote its practical development for the benefit of the UTMDACC's patients and for the benefit of the people of the state of Texas.

D. The Invention is "Related Technology" under the Agreement (although Argus funding in support of the research resulting in the Invention is attributable to the Discretionary Account provided under the R&D Contract); therefore the Invention is licensed to Argus under this Amendment No. 4 to the Agreement.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

E. The Agreement, Amendment No. 1, Amendment No. 2, Amendment No. 3, thereto are not otherwise modified except as set forth in this Amendment No. 4. The definitions set forth in the Agreement, Amendment No. 1, Amendment No. 2 , and Amendment No. 3, shall apply in this Amendment No. 5 except to the extent that a definition herein is specific to this Amendment No. 5.

NOW, THEREFORE, in consideration for the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree to the following:

1. The Agreement is amended to include within the Grant of Rights at Article II (A) BOARD'S rights in the Invention and information or discoveries covered by patents and/or patent applications relating thereto, whether domestic or foreign, and all divisionals, continuations, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon. The Grant of Rights shall also include BOAR D's undivided interest in any patent applications that may be filed, or patents issuing therefrom, owned jointly by Argus and BOARD relating to the invention.
2. Argus shall pay UTMDACC the royalties specified in the Agreement on Net Sales of Products from the Invention, the same as if the Invention had been originally included in the Agreement, and the royalties shall not be reduced in the event of joint invention or ownership by Argus and UTMDACC or BOARD of any subsequent patent applications or patents related to the Invention.
3. Argus shall reimburse UTMDACC for all outstanding (unreimbursed) patent expenses related to the Invention as of the Effective Date of this Amendment No. 5. Argus shall further reimburse UTMDACC for all continuing patent expenses for the Invention for the term of this Amendment No. 5, pursuant to invoicing by UTMDACC.
4. Argus shall use reasonable best efforts to diligently commercialize the Inventions and obtain all required legal and regulatory approvals for Products from the Inventions.
5. The UTMDACC shall have the first option, subject to its own internal review and approval, to perform clinical trials of Products from the Inventions, and to perform other appropriate research on the Inventions that is not conducted by Argus itself.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

OTHERWISE, the terms and provisions of the original Agreement, Amendment No. 1, Amendment No. 2 and Amendment No. 3, thereto shall remain in full force and effect, provided, however, that in the event of a conflict in the terms and conditions between this Amendment No. 5 and the License Agreement, the terms and conditions of this Amendment shall prevail.

IN WITNESS WHEREOF, the parties have executed three (3) original counterparts of this Amendment No. 5, each of which is of equal dignity and effective as of the date first hereinabove written.

THE UNIVERSITY OF TEXAS
MD ANDERSON CANCER CENTER

By: /s/ David J. Bachrach
David J. Bachrach
Executive Vice President for Administration and Finance

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: /s/ Ray Farabee
Ray Farabee
Vice Chancellor and General Councel

APPROVED AS TO CONTENT

By: /s/ William Doty
William Doty
Director, Technology Development

APPROVED AS TO FORM

By: /s/ Dudley R. Dobie, Jr.
Dudley R. Dobie, Jr.
Manager, Intellectual Property

Argus Pharmaceuticals, Inc.

By: /s/ David Leech
David Leech
President

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

AMENDMENT NO.6 TO THE
PATENT AND TECHNOLOGY LICENSE AGREEMENT

This AMENDMENT NO. 6 effective this 10th day of August , 2004 ("AMENDMENT NO. 6 EFFECTIVE DATE") to the ORIGINAL LICENSE as defined below, is made by and between the BOARD OF REGENTS ("BOARD") of THE UNIVERSITY OF TEXAS SYSTEM ("SYSTEM"), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, on behalf of THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER (hereafter "UTMDACC"), a component institution of SYSTEM, and ARONEX PHARMACEUTICALS, INC., a Delaware corporation having a principal place of business located at 3 Forbes Road, Lexington, Massachusetts 02421 ("LICENSEE"), a wholly owned subsidiary of ANTIGENICS INC., a Delaware corporation. BOARD and LICENSEE may be referred to hereafter collectively as the "PARTIES."

RECITALS

A. BOARD and ARGUS PHARMACEUTICALS, INC., executed an Exclusive License Agreement dated effective as of July 22, 1988 (such Exclusive License Agreement, as amended, referred to herein as the "ORIGINAL LICENSE");

B. LICENSEE is the successor in interest to ARGUS PHARMACEUTICALS, INC.;

C. The PARTIES have reached an agreement to return rights to certain technologies to BOARD ("RETURNED TECHNOLOGY," as defined below);

D. The PARTIES have further agreed that LICENSEE will provide certain information relating to the RETURNED TECHNOLOGY to UTMDACC;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree to the following:

AMENDED TERMS

1. Schedule Ito the ORIGINAL LICENSE is hereby amended to exclude the RETURNED TECHNOLOGY (as defined below). The amended Schedule I is attached hereto.

2. Paragraph lB. of the ORIGINAL LICENSE shall be replaced in its entirety with the following:

   B. The term "Licensed Subject Matter" shall mean the subject matter of the patents and patent applications listed on Schedule I, together with any invention, discovery, know-how, process, procedure, method, protocol, formula, technique, software, design, drawing, data, devices, specifications, sketches or other technical information directed thereto conceived, discovered, or reduced to practice by the Researchers/Inventors, as of the date hereof (July 22, 1988), irrespective of whether other persons jointly participate in such conception, discovery or reduction to practice, and Related Technology (as defined in Paragraph I. C. herein) to be conceived, discovered, or reduced to practice as the result of funding provided under LICENSEE's sponsored research program, as provided in the Research and Development Contract ("R & D Contract")

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

between LICENSEE and UTMDACC, attached hereto as Exhibit I and incorporated herein, and all processes, compositions, uses and Products resulting therefrom, and other subject matter that was Licensed Subject Matter under the ORIGINAL LICENSE (including amendments thereto); provided that, notwithstanding the foregoing, the term "Licensed Subject Matter" shall not include any RETURNED TECHNOLOGY.

3. Paragraph I.C. of the ORIGINAL LICENSE shall be replaced in its entirety with the following:

C. The term "Related Technology" when used herein shall mean any invention, discovery, know-how, trade secret, or technical information conceived, discovered, or reduced to practice as the result of funding under and during the term of the R & D Contract. Notwithstanding the foregoing, the term "Related Technology" shall not include any invention, discovery, know-how, trade secret, or technical information directed to or encompassing any RETURNED TECHNOLOGY.

4. Paragraph I.D. of the ORIGINAL LICENSE shall be replaced in its entirety with the following:

D. The term "BOARD Patent Rights," when used herein, shall mean those United States and foreign patents and patent applications or prospective patent applications, which relate to the Licensed Subject Matter (as defined in Paragraph I. B. herein), any technology that is an infringement thereof (except as provided in Paragraph 5.5 of the R & D Contract), and Improvements (as defined in Paragraph I. L. herein) that are the subject of any patent or patent application, in which BOARD now has or in the future acquires any interest during the term of this Agreement or during the term and arising as a result of the R & D Contract. The term "BOARD Patent Rights" shall not include patents, patent applications or prospective applications directed to any RETURNED TECHNOLOGY.

5. Paragraph I. E. of the ORIGINAL LICENSE shall be replaced in its entirety with the following:

E. The term "BOARD Technical Information," when used herein, shall mean all Licensed Subject Matter and all Improvements that are not subsumed within the BOARD Patent Rights. The term "BOARD Technical Information" shall not include any RETURNED TECHNOLOGY.

6. Paragraph I.L. of the ORIGINAL LICENSE shall be replaced in its entirety with the following:

L. The term "Improvement" where used herein means any change or modification to the Licensed Subject Matter, and any compositions, Products and uses resulting therefrom (together with all other patents and patent applications, including any division, continuation, continuation-in-part or reissue thereof, or substitute therefor and the patents that may issue from such changes or modifications), conceived, discovered, or reduced to practice, in whole or in part by the Researchers/Inventors, irrespective of whether other persons jointly participate in such conception, discovery or reduction to practice, to the extent that such change or modification relates to the Licensed Subject Matter. The term "Improvement" shall not include any RETURNED TECHNOLOGY.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

7. New Paragraph I.M. shall be added to the ORIGINAL LICENSE as follows:

M. The term “RETURNED TECHNOLOGY” shall mean LICENSEE’s rights, including BOARD PATENT RIGHTS and rights in BOARD TECHNICAL INFORMATION, in and to the subject matter listed on Schedule II (attached to this AMENDMENT NO. 6) and any U.S. or foreign patents, patent applications (including divisionals, continuations, reissues, reexaminations or extensions thereof) and other intellectual property directed thereto.

8. New Paragraph II. G. shall be added to the ORIGINAL LICENSE as follows:

G. In addition to its rights as set forth in the R&D Contract and elsewhere in this Agreement, UTMDACC and BOARD further reserve the right to use (but not to transfer to third parties) LICENSED SUBJECT MATTER solely for noncommercial research, teaching, patient care at The University of Texas facilities, including UTMDACC facilities, and other non-commercial educationally-related purposes. Notwithstanding any provisions to the contrary in Article VIII or elsewhere in the Agreement, UTMDACC and BOARD reserve the right to publish the general scientific findings from research related to LICENSED SUBJECT MATTER, with due regard for the protection of LICENSEE’s confidential information as follows. UTMDACC will submit the manuscript of any proposed publication to LICENSEE at least [**] days before publication, and LICENSEE shall have the right to review and comment upon the publication in order to protect LICENSEE’s confidential information. Upon LICENSEE’s request, publication may be delayed up to [**] additional days to enable LICENSEE to secure adequate intellectual property protection of LICENSEE’s confidential information or other intellectual property that would otherwise be affected by the publication.

9. New Paragraph II.H. shall be added to the ORIGINAL LICENSE as follows:

H. It is expressly understood and agreed that the Grant of Rights set forth in Paragraphs II.A. and II.B. above shall not include the RETURNED TECHNOLOGY.

10. New Paragraph II.J. shall be added to the ORIGINAL LICENSE as follows:

J. 1. Through a computer search of its file system database in 2003, LICENSEE has identified approximately 526 boxes of documents (the “Documents”) that, based on the labels on the boxes, appear to relate to the RETURNED TECHNOLOGY. Promptly after execution of this Amendment, LICENSEE shall send the Documents to UTMDACC. UTMDACC shall pay the costs of shipping the documents. The Documents that relate to the RETURNED TECHNOLOGY shall be referred to as “Returned Technology Information.”

2. BOARD and UTMDACC shall maintain the Returned Technology Information in confidence and shall not disclose it to third parties, except that BOARD and

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

UTMDACC may disclose Returned Technology Information: (a) when required by applicable laws, provided that BOARD or UTMDACC provides LICENSEE with prior written notice of such disclosure and affords LICENSEE a reasonable opportunity to obtain a protective order; and (b) as needed or required in connection with the securing of necessary governmental authorization for BOARD, UTMDACC, their licensees or sublicensees to manufacture, use, sell, or offer to sell products using the RETURNED TECHNOLOGY, provided that any such disclosure by BOARD or UTMDACC shall be made in accordance with applicable legal requirements, including, without limitation, requirements related to confidentiality of health-related information. This obligation to maintain Returned Technology Information in confidence shall not apply to information that: (i) was in the public domain at the time of disclosure; (ii) later became part of the public domain through no act or omission of UTMDACC or BOARD, their employees, agents, successors, or assigns; (iii) UTMDACC or BOARD can show was in its possession at the time of disclosure and which was not acquired, directly or indirectly from LICENSEE; (iv) was lawfully disclosed to UTMDAC or BOARD by a third party having the right to disclose it; (v) was already known by UTMDACC or BOARD at the time of disclosure; or (vi) was independently conceived, discovered, or reduced to practice.

3. To the extent authorized by the Constitution and laws of the State of Texas, UTMDACC and BOARD assume all liability for any claim, loss, cost, damage, fee or expense (“Losses”) arising out of any use or disclosure of the Returned Technology Information by BOARD or UTMDACC. LICENSEE shall not be liable to UTMDACC or BOARD for any claim or demand made by UTMDACC or BOARD, or made against UTMDACC or BOARD by a third party, due to or arising from the use or disclosure of the Returned Technology Information by UTMDACC or BOARD.

4. UTMDACC shall be under no obligation or duty to determine whether or not the Documents relate to RETURNED TECHNOLOGY. However, should UTMDACC determine that certain of the Documents do not relate to the RETURNED TECHNOLOGY, UTMDACC shall notify LICENSEE, and, upon LICENSEE’s request and at LICENSEE’s expense, will return such Documents to LICENSEE. LICENSEE shall pay UTMDACC the costs of shipping the Documents and shall pay reasonable expenses incurred by UTMDACC in segregating out the documents, provided that UTMDACC, in its notice to LICENSEE under the preceding sentence, notified LICENSEE that UTMDACC reasonably expected to incur such expenses and gave the estimated amount of such reasonable expenses.

5. UTMDACC shall maintain the Documents for at least [**] years after the AMENDMENT NO. 6 EFFECTIVE DATE and, upon reasonable written notice and during regular business hours, shall allow LICENSEE full access to the Documents for examination and copying, at LICENSEE’s expense.

6. Notwithstanding any provision herein to the contrary, BOARD and UTMDACC may disclose the Returned Technology Information to third parties that are interested in licensing the RETURNED TECHNOLOGY, provided that such third party agrees in writing to maintain the Returned Technology Information as confidential and only use it for the limited purpose of due diligence review to determine whether to enter into such license. Additionally, BOARD and UTMDACC may disclose Returned Technology Information to a third party that licenses the RETURNED TECHNOLOGY (a “Third Party Licensee”), provided that said third party agrees in writing to the following terms, or such other terms approved in writing by LICENSEE:

A) to maintain the Returned Technology Information in confidence and not use or disclose it except for the purposes, and subject to the limitations, set forth in subparagraphs II.J.2 (a)-(b) above;

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

B) to indemnify and hold LICENSEE and its directors, officers, employees, agents and Subsidiaries harmless against any Losses arising out of any use or disclosure of the Returned Technology Information by the Third Party Licensee or by any person or entity to which the Third Party Licensee has disclosed or transferred the Returned Technology Information;

C) to comply with the requirements set forth in subsection II.J.4 and 5 for any Documents in its possession; and

D) that LICENSEE is a third party beneficiary of the foregoing provisions II.J.6.(A), (B), and (C) with the authority to enforce the provisions against the Third Party Licensee.

UTMDACC shall provide LICENSEE with a copy of any written agreement referred to in the preceding sentence with a Third Party Licensee. This obligation to maintain Returned Technology Information in confidence shall not apply to information that: (i) was in the public domain at the time of disclosure; (ii) later became part of the public domain through no act or omission of UTMDACC or BOARD, their employees, agents, successors, or assigns; (iii) UTMDACC or BOARD can show was in its possession at the time of disclosure and which was not acquired, directly or indirectly from LICENSEE; (iv) was lawfully disclosed to UTMDAC or BOARD by a third party having the right to disclose it; (v) was already known by UTMDACC or BOARD at the time of disclosure; or (vi) was independently conceived, discovered, or reduced to practice.

7. LICENSEE DOES NOT MAKE ANY REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE RETURNED MATERIAL INFORMATION OR RETURNED TECHNOLOGY AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SAFETY OR LAWFULNESS OF USE, ACCURACY, RELIABILITY, OR NONINFRINGEMENT OF THIRD PARTY PATENTS, WITH RESPECT TO THE FOREGOING.

8. In consideration of receiving the Returned Technology Information, UTMDACC hereby agrees to pay to LICENSEE [**] percent [**] of any consideration that BOARD and/or UTMDACC receive as a result of and attributable to licensing or otherwise transferring rights in some or all of the RETURNED TECHOLOGY, including without limitation royalties, license fees, milestone payments, equity, and the fair market value of non-cash considerations (“Returned Technology Consideration”). UTMDACC will maintain records of any Returned Technology Consideration received and will provide a report to LICENSEE within [**] days of the close of each calendar year identifying the amount of Returned Technology Consideration received during that calendar year, on a product-by-product basis, and shall provide payment with said report of LICENSEE’s share of Returned Technology Consideration.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

11. New Paragraph 11.1. shall be added to the ORIGINAL LICENSE as follows:

1. LICENSEE hereby grants to BOARD, for the term of the Agreement, a worldwide, exclusive solely for use in the [**] Field (as defined below), royalty-free license, with right to sublicense for value, the subject matter of U.S. Application No. [**] (MDA[**] CON) and its foreign equivalents (collectively the "Subject Patent"), including the right to manufacture, use, market and/or sell products or services covered by the Subject Patent, and any divisonals, continuations, resissues, reexaminations or extensions thereof. The term "[**] Field" as used herein shall include: (1) compositions containing, as an active ingredient, [**] or related [**] agents, such as those exemplified by [**], its derivatives or analogs; (2) methods of delivering said compositions to a patient, tissue or other target; and (3) methods for manufacturing such compositions. No other rights to the Subject Patent are granted herein by LICENSEE to BOARD.

12. Paragraph VI. E. 3. of the ORIGINAL LICENSE shall be replaced in its entirety with the following:

3. Subject to Paragraph VI.E.2, LICENSEE shall discontinue, and shall cause its Subsidiaries and sublicensees to discontinue, the manufacture, use, marketing and sale of Products. Upon termination, UTMDACC will accept as successors to LICENSEE under this Agreement each of LICENSEE's sublicensees that, as of the date of termination, is not in material breach of its sublicense; provided that such sublicensee consents in writing to be bound by all of the terms and conditions of this Agreement. Notwithstanding the foregoing, upon termination LICENSEE shall immediately discontinue use of the Names.

13. Paragraph VII.A. of the ORIGINAL LICENSE shall be replaced in its entirety with the following:

A. Any request, notice, report, approval, payment, communication or other document required or permitted under this Agreement will be in writing (except in the case of verbal communications and teleconferences updating either Party as to the status of work hereunder), and will be deemed given (1) when delivered personally; (2) when sent by confirmed facsimile (followed by the actual document sent by commercial express courier specifying next day delivery, with written verification of receipt); (3) five (5) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (4) one (1) day after deposit with a commercial express courier specifying next day delivery, with written verification of receipt. All communications will be sent to the address set forth below or such other address as either Party may designate from time to time in accordance with this Paragraph VII.A.

If to UTMDACC: The University of Texas M. D. Anderson Cancer Center
Office of Technology Commercialization
7515 S. Main, Suite 490, Unit 0510
Houston, TX 77030
ATTENTION: William I. Doty

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

with copy to: BOARD OF REGENTS
The University of Texas System
201 West 7th Street
Austin, TX 78701
ATTENTION: Office of General Counsel

If to Licensee: VP, Business Development
c/o Antigenics Inc.
3 Forbes Road
Lexington, MA 02421

With a copy to: Senior Attorney
c/o Antigenics Inc.
3 Forbes Road
Lexington, MA 02421

(or at such other address in care of such other person as hereafter shall be designated in writing by any party).

14. Paragraph X.A. of the ORIGINAL LICENSE shall be replaced in its entirety with the following:

A. This Agreement may not be assigned by any party, without the prior written consent of the other parties, which consent shall not be unreasonably withheld, provided that LICENSEE may assign this Agreement without the consent of the other parties to a Subsidiary, or to any purchaser or transferee of all or substantially all of LICENSEE's business to which this Agreement relates, or to the surviving entity in the case of a merger or change of control transaction or series of transactions, and provided further, that nothing shall prevent LICENSEE from entering into sublicensing agreements, or the sale of marketing rights as herein provided, with other parties. This Agreement shall be binding upon and inure to the benefit of BOARD, UTMDACC, LICENSEE and their respective permitted assigns and sublicenses and successors in interest.

LICENSEE agrees that it shall provide copies of all sublicenses and notices of any assignments to UTMDACC.

15. New Paragraph XIV. D. shall be added to the ORIGINAL LICENSE as follows:

D. LICENSEE acknowledges that UTMDACC and BOARD are agencies of the State of Texas and, under the Constitution and laws of the State of Texas, possess certain rights and privileges and are subject to certain limitations and restrictions. Notwithstanding any provision herein, nothing in this Agreement is intended to be, nor may it be construed to be, a waiver of the sovereign immunity of the State of Texas. Moreover, notwithstanding the generality or specificity of any provision herein, the provisions of this Agreement are enforceable only to the extent authorized by the Constitution and laws of the State of Texas; accordingly, the provisions of this Agreement will not be enforceable to the extent (i) any provision conflicts with or is not authorized by the Constitution or laws of the State of Texas, or (ii) UMDACC and/or BOARD did not have the power or authority to agree to such provision.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

16. From and after the AMENDMENT NO.6 EFFECTIVE DATE, this AMENDMENT NO. 6, including Schedules I and II hereto, supersedes and replaces the letter from ANTIGENICS INC. to UTMDACC dated April 21, 2003.

OTHERWISE, the terms and provisions of the ORIGINAL LICENSE (including Amendment No. 1, Amendment No. 2, (dated October 8, 1990), Amendment No. 2 (dated July 9, 1993), Amendment No. 3, and Amendment No. 4) shall remain in full force and effect, provided, however, in the event of a conflict in the terms and conditions between this AMENDMENT NO. 6 and the foregoing ORIGINAL LICENSE, the terms and conditions of this AMENDMENT NO. 6 shall prevail.

[The rest of this page has intentionally been left blank.]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this AMENDMENT NO.6.

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

By: /s/ Leon Leach
Leon Leach
Executive Vice President
M.D. Anderson Cancer Center

By: /s/ William J. Doty
William J. Doty
Managing Director
Office of Technology Commercialization
M.D. Anderson Cancer Center

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: /s/ John Mendelsohn
John Mendelsohn, M.D.
President

ARONEX PHARMACEUTICALS, INC.:

By: /s/ Garo Armen
Printed Name: Garo Armen
Title: CEO

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

MDA No.	UTSC No.	U.S Patent	Patent Schedules Foreign	Patent Schedules Title
Schedule I: Antigenics Retaining				
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
Schedule II: Antigenics Returning				
MDA[**]	[**]	[**]	[**]	[**]
MDA[**]	[**]	[**]	[**]	[**]
MDA[**]	[**]	[**]	[**]	[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

			Patent Schedules	
MDA[**]		[**]	[**]	[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]		[**]
MDA[**]	[**]	[**]	[**]	[**]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

AMENDMENT NO.7 TO THE PATENT AND TECHNOLOGY LICENSE AGREEMENT

This AMENDMENT NO. 7 effective this 1st day of December 2005 ("AMENDMENT NO.7 EFFECTIVE DATE") to the ORIGINAL LICENSE as defined below, is made by and between the BOARD OF REGENTS ("BOARD") of THE UNIVERSITY OF TEXAS SYSTEM ("SYSTEM"), an agency of the State of Texas, whose address is 201 West Street, Austin, Texas 78701, on behalf of THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER (hereinafter "UTMDACC"), a component institution of SYSTEM, and ARONEX PHARMACEUTICALS, INC., a Delaware corporation having a principal place of business located at 3 Forbes Road, Lexington, Massachusetts 02421 ("LICENSEE"), a wholly-owned subsidiary of ANTIGENICS INC., a Delaware corporation. BOARD and LICENSEE may be referred to hereafter collectively as the "PARTIES."

RECITALS

A. BOARD and LICENSEE (as successor in interest to ARGUS PHARMACEUTICALS, INC.) are parties to that certain Exclusive License Agreement dated effective as of July 22, 1988 (such Exclusive License Agreement, as amended as described in more detail below, referred to herein as the "ORIGINAL LICENSE");

B. BOARD and LICENSEE desire to further amend the ORIGINAL LICENSE.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the PARTIES hereby agree to the following:

AMENDED TERMS

1. The last sentence of Paragraph II.J.8 of the ORIGINAL LICENSE shall be deleted in its entirety and replaced with the following:

> UTMDACC shall provide such payments to LICENSEE within [**] days of UTMDACC'S and/or BOARD'S receipt of such Returned Technology Consideration. In addition, UTMDACC will maintain records of any Returned Technology Consideration received and will provide a report to LICENSEE within [**] days of the close of each calendar year, identifying the amount of Returned Technology Consideration received during that calendar year, on a product-byproduct basis, and the consideration owed and paid to LICENSEE with respect thereto.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

2. For the avoidance of doubt, the PARTIES acknowledge and agree that, prior to the AMENDMENT NO.7 EFFECTIVE DATE, the ORIGINAL LICENSE was amended as follows:

- Amendment No.1 to the Exclusive License Agreement dated March 12, 1990 (“AMENDMENT NO. 1”)
- Amendment No.2 to the Exclusive License Agreement dated October 8, 1990 (“AMENDMENT NO.2”)
- Amendment No.2 to the Exclusive License Agreement dated July 9, 1993 (“AMENDMENT NO.3”)
- Amendment No.3 to the Exclusive License Agreement dated December 9, 1993 (“AMENDMENT NO.4”)
- Amendment No.4 to the Exclusive License Agreement dated August 9, 1994 (“AMENDMENT NO.5”)
- Amendment No.6 to the Exclusive License Agreement dated August 10, 2004 (“AMENDMENT NO.6”)

3 The PARTIES acknowledge and agree that, except as set forth in this AMENDMENT NO.7, the terms and conditions of the ORIGINAL LICENSE (including AMENDMENT NOS. 1-6) shall remain in full force and effect.

4 This AMENDMENT NO.7 may be executed by the PARTIES hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the PARTIES hereto.

[The rest of this page has intentionally been left blank.]

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission

IN WITNESS WHEREOF, the PARTIES hereto have caused their duly authorized representatives to execute this AMENDMENT NO.7.

THE UNIVERSITY OF TEXAS
M. D. ANDERSON CANCER CENTER

By: /s/ Leon Leach
Leon Leach
Executive Vice President
M.D. Anderson Cancer Center
Date: 11/29/05

THE BOARD OF REGENTS OF
UNIVERSITY OF TEXAS SYSTEM

By: /s/ John Mendelsohn
John Mendelsohn, M.D.
President
M.D. Anderson Cancer Center
Date: 12/1/03

APPROVED AS TO CONTENT:

By: /s/ Christopher C. Capelli
Christopher C. Capelli
Vice President, Technology Transfer
Office of Technology Commercialization
M.D. Anderson Cancer Center
Date: 10/26/05

ARONEX PHARMACEUTICALS, INC.

By: /s/ Russell Herndon
Name: Russell Herndon
Title: President
Date: 10/24/05

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

LETTER AGREEMENT

This Letter Agreement is made by and between the BOARD OF REGENTS (“BOARD”) of THE UNIVERSITY OF TEXAS SYSTEM (“SYSTEM”), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, on behalf of THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER (hereafter “UTMDACC” or “UTSCC”), a component institution of SYSTEM, and ARONEX PHARMACEUTICALS, NC., a Delaware corporation having an address at 3 Forbes Road, Lexington, MA 02421 (“ARONEX PHARMACEUTICALS”), a wholly owned subsidiary of ANTIGENICS NC., a Delaware corporation (“LICENSEE”).

WHEREAS, UTMDACC and LICENSEE executed an Exclusive License Agreement on July 22, 1988, (the “ORIGINAL LICENSE”) as amended by Amendment Number 1 dated effective March 12, 1990; and as further amended by Amendment Number 2, dated effective October 8, 1990; Amendment Number 2, dated effective December 9, 1993; Amendment Number 3, dated effective July 9, 1993; Amendment Number 4, dated effective August 9, 1994; and Amendment Number 6, dated effective 10th day of August, 2004.

WHEREAS, pursuant to the ORIGINAL LICENSE, ARONEX PHARMACETICALS engaged in the development of Annamycin, among other technologies, pursuant to the ORIGINAL LICENSE and completed Phase II clinical testing of Annamycin in breast cancer.

WHEREAS, the parties have reached an agreement to return rights to certain technologies, including [**], to BOARD (“RETURNED TECHNOLOGIES,” as defined in Amendment 6 to the ORIGINAL LICENSE) and the parties have further agreed that LICENSEE will provide certain information relating to the RETURNED TECHNOLOGIES to UTMDACC and LICENSEE shall not be responsible for any liability related to future use the RETURNED TECHNOLOGIES.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree to the following:

1. No Other Representations or Warranties. THE MATERIAL IS AND WAS PROVIDED TO UTMDACC “AS IS.” LICENSEE DOES NOT MAKE ANY REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE MATERIAL AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING WITHOUT LIMITATION FITNESS FOR HUMAN USE, QUALTIY AS TO THE MATERIAL, OR ANY PART THEREOF, WITH RESPECT TO THE FOREGOING.

2. Limitation of Liability. In no event shall LICENSEE be liable to UTMDACC, or any of its affiliates, for any damages whatsoever, including without limitation direct, indirect, consequential, special, or incidental damages, arising out of UTMDACC or any affiliate’s use of the MATERIAL, even if UTMDACC or any affiliate has been advised of the possibility of such damage and whether or not such damages are reasonably foreseeable.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

3. Indemnification. To the extent not prohibited under law, UTMDACC will indemnify, defend and hold harmless LICENSEE and its affiliates, officers, directors, employees and agents (“ARONEX PHARMACEUTICALAS Indemnitees”) from and against any liability, damage, loss or expense (including reasonable attorney’s fees and expenses of litigation) incurred or imposed upon LICENSEE Indemnitees or any one of them in connection with any claims, suits, actions, losses, demands or judgments arising out of UTMDACC‘s use of the MATERIAL, including without limitation any theory of product liability (including without limitation ion actions in the form or tort, warranty or strict liability) concerning any product developed using or incorporating the MATERIAL.

4. Representation and Warranty. UTMDACC represents, warrants and covenants that it shall use the MATERIAL in compliance with all applicable laws and regulations, including but not limited to those relating to biotechnological research and the handling and containment of biohazardous materials.

5. Materials Returned and Accepted. The parties acknowledge and agree that pursuant to the agreements referenced above, LICENSEE has returned certain amounts of Annamycin, in its physical form, (“MATERIAL”) to UTMDACC, and UTMDACC has accepted the MATERIAL as described in Attachment 1 to this Letter Agreement, attached hereto.

6. Reimbursement. UTMDACC shall reimburse LICENSEE for the return of the MATERIALS, as described in Attachment 2 to this Letter Agreement, attached hereto.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Letter Agreement.

THE UNIVERSITY OF TEXAS
M. D.ANDERSON CANCER CENTER

By /s/ Leonard A. Zwelling
Leonard A. Zwelling, M.D, M.B.A.
Vice President, Research Administration

ARONEX PHARMACEUTICALS:

By /s/ Russell Herndon
Printed Name: Russell Herndon
Title: President

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Attachment I to Letter Agreement (page 1/2)

[**] SHIPMENT 10/03/2003

Box 1				Vials
522-03-9H-001	5 cases at	30	150	
50mg				
Total vials			150	150
327l1197	1 case at	63	63	
10mg				
Total vials			63	63
Box 2				Vials
522-03-94-001	6 cases at	30	180	
50mg	1 case at	9	9	
Total vials			189	189
Box 3				Vials
522-02-8A-001	6 case at	63	378	
10mg				
Total vials			378	378
Box 4				Vials
522-02-8A-001	3 case at	63	189	
10mg				
Total vials			189	189
327l197	1 case at	60	60	
10mg				
Total vials			60	60
522-01-8K-004	1 case at	11	11	
50mg				
Total vials			11	11
327l197	1 case at	5	5	
50mg				
Total vials			5	5
Total				1,045

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Attachment I to Letter Agreement (page 2/2)

[**] SHIPMENT 10/03/2003

				Vials	mgs
Box 5					
32711197	5 cases at	63	315		
10mg	1 case at	53	53		
Total vials			368	368	3680
Box 6					
522-01-8B-002	2 case at	25	50		
50mg	1 case at	24	24		
Total vials			74	74	3700

One box of jars containing various intermediate samples from Kris Dziewiszcek's lab via QC.

RAW MATERIAL SHIPMENT 10114103

Lot# P1885 R00580	1 package at	95.579	grams
Lot # P1886 R00581	2 package at	105.5	grams
		201.079	

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Attachment 2 to Letter Agreement

Antigenics Inc.
3 Forbes Road
Lexington, MA 02421

Invoice	INVMDAOO1
Date	10/29/2003
Customer ID	MD Anderson
Page	1

Bill To:
U of Texas
MD Anderson

Purchase Order No.	Payment Terms
	NET 30

Description	Units	Unite Price	Ext. Price
Labor hours for defacing labels for [**] shipment (1570 units)	16.00	20.00	$ 320.00
Insulated cartons	6.00	14.00	$ 84.00
Dangerous goods shippers	2.00	28.00	$ 56.00
Insulated cartons	2.00	44.00	$ 88.00
Dry ice pellets (200 pounds)	200.00	2.00	$ 400.00
Gel pack cartons	5	7.41	$ 37.05
FedEx freight cost			$ 2,254.62
Marken freight cost (2 cartons of dangerous goods)			$ 759.80
	Subtotal		$ 3,999.47
	Misc		—
	Tax		—
	Freight		—
	Trade Discount		—
	Total		$ 3,999.41

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Exhibit 10.19

AMENDED AND RESTATED LICENSE AGREEMENT

This Amended and Restated License Agreement (this "Agreement") is entered into as of September 1, 2003, by and between Antigenics, Inc., a corporation existing under the laws of Delaware and having its principal place of business at 630 Fifth Avenue, Suite 2100, New York, NY 10111 ("Antigenics"), and Sumitomo Pharmaceuticals Co., Ltd. having its principal place of business at 2-8, Doshomachi 2-Chome, Chuo-ku, Osaka 541-8510, Japan ("Sumitomo").

WITNESSETH:

WHEREAS, Aronex Pharmaceuticals, Inc. of 8707 Technology Forest Place, The Woodlands, Texas 77381- 1191, U.S.A. ("API") and Sumitomo have executed the License Agreement dated December 12, 2000 regarding the license of US Patent Application Serial No. 06/836,524 owned by Sumitomo (the "Current Agreement").

WHEREAS, API has paid Sumitomo US$ 500,000 as the first milestone payment pursuant to the Current Agreement;

WHEREAS, as of October 12, 2001, API has assigned to Antigenics all of API's rights and obligations on the Current Agreement, pursuant to Section 13 thereof;

WHEREAS, Antigenics and Sumitomo are willing to clarify and amend certain terms and conditions of the Current Agreement by amending, restating and superceding the Current Agreement with this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

1. Definitions.

"Subject Patent" means (i) US Patent Application Serial No. 06/836,524, filed March 5, 1986 and any patents issued thereon, and (ii) any divisions, continuations, continuation-in-part, reissues, renewals, extensions thereof.

"Products" means any products covered by any of the Subject Patent, except for any product which contains [**] ("Sumitomo Product").

"Net Sales" means the gross sales of all the Products covered by a valid claim of an issued Subject Patent sold by Antigenics or its sub-lisensees to third parties in the Territory less (i) all quantity discounts and customary allowances actually granted to such third parties with respect to the sale of the Products, (ii) returns of the Products to Antigenics or its sub-lisensees from its customer by reason of spoiled, damaged or outdated products and (iii) transportation and handling charges, taxes and duties applicable to sales of the Products.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

"Territory" means U. S. A. and its territories and protectorates.

2. License.

(1) Sumitomo hereby grants to Antigenics under the Subject Patent except for the treatment of hepatoma(i) an exclusive license to make, have made, use, develop, import and sell [**] ("Antigenics Product") (ii) an exclusive license but for Sumitomo to make, have made, use, develop, import and sell any other Products than Antigenics Product, in the Territory.

(2) Upon prior written notice to Sumitomo, which shall specify the identification of the sub-licensee, Antigenics may grant, within the limitations of license granted pursuant to Sub-section (1) above, sub-licenses in respect thereof to any third parties, but every such sub-license shall be subject to all terms and conditions contained in the grant of the license so sub-licensed and shall also contain terms, conditions and obligations requiring such sub-licensee to do such acts as may be necessary or proper to enable Antigenics to observe all the terms and conditions and to perform all the obligations oh Antigenics' part hereunder. No sub- license shall be granted by any sub-licensee of Antigenics. Any operations of the sub-licensee of Antigenics shall be deemed to be the operations of Antigenics and Antigenics shall account for and be primarily liable for the performance by such sub-licensee of all of its obligations hereunder.

3. Compensation. In consideration of the license hereunder, Antigenics shall pay the following milestone payments and running royalties to Sumitomo by bank transfer to Sumitomo's designated account as set forth below.

Milestone Payments

- [**] within thirty (30) days of acceptance of filing the first regulatory application by Antigenics or its sub-licensee for sales regarding the first Product within the Territory;
- [**] within thirty (30) days of obtaining by Antigenics or its sub-licensee the first regulatory approval for sales regarding the first Products within the Territory;
- [**] within thirty (30) days of the earliest fiscal year end of Antigenics when cumulative Net Sales by Antigenics and its sub- licensees altogether in the Territory reaches [**];

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

- [**] within thirty (30) days of obtaining by Antigenics or its sub-licensee regulatory approval for sale regarding each additional product among the Products within the Territory.

Running Royalty

Within ninety (90) days of each fiscal year end of Antigenics:

- [**] for the part of annual Net Sales up to [**];
- [**] for the part of annual Net Sales over [**] up to [**];

[**] for the part of annual Net Sales over [**].

In the event that the Product is sold by Antigenics or its sub-licensee in combination with other active ingredients, the applicable royalty payable by Antigenics shall be reduced proportionately based upon the selling prices of each active ingredient individually as compared to the selling price of the combined active ingredients.

In the event that Antigenics demonstrates to Sumitomo by [**] patent attorneys' opinions (of different law firms) who have expertise at patent issues in the U.S., that it has to make royalty or other payments to one or more third parties in order for Antigenics or its sub-licensees to practice the Subject Patent for manufacturing, using or selling Product without violating such third parties' intellectual property rights, Antigenics may offset a total of up to [**] percent of such third-party payments against any royalty payments otherwise due to Sumitomo hereunder subject to Sumitomo's approval, but in no event shall the royalties payable to Sumitomo be reduced to less than [**] of the amounts otherwise due hereunder. Antigenics shall negotiate in good faith with any such third party at arms' length with a view to minimizing Antigenics' financial burden to such third party for which an offset would be allowed hereunder, and the percentage for the reduction from royalties payable to Sumitomo shall be determined through good faith negotiation between Antigenics and Sumitomo.

4. Taxes. Withholding taxes, if any, levied on any of the above payments may be deducted therefrom, and Antigenics shall furnish to Sumitomo the evidences of the payment of any such taxes for Sumitomo to obtain tax reduction from Japanese government.

5. Royalty Report. Antigenics shall furnish to Sumitomo within ninety (90) days of its fiscal year a written report showing (i) the Net Sales of all Products sold by Antigenics and its sub-licensees and the running royalty on such Net Sales during the reporting period, broken down by each company, and (ii) withholding taxes set forth in the above paragraph 4.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

6. Records and Audit .Antigenics shall keep, and shall have its sub-licensees keep, accurate records in sufficient detail to enable the running royalties payable hereunder to be determined for eight (8) years from the year in which such sales occurred. Upon reasonable prior notice, Sumitomo may, at Sumitomo's expense, and not more that once in each fiscal year for each company, have a public accounting firm examine the records stipulated above during reasonable business hours. Said public accounting firm shall treat as confidential, and shall not disclose any information acquired through the audit.

7. Patent Infringement by Third Party; Prosecution and Maintenance.

(1) In the event that a third party infringes or threatens to infringe any of the Subject Patents except for those concerning Sumitomo Product in the territory

Antigenics may, after full consultation with Sumitomo, take any suitable measures including a legal action against such infringement and Sumitomo shall give reasonable assistance (excluding financial assistance) to Antigenics. If Antigenics commences litigation, it shall have the right to sue in Sumitomo's name as attorney in fact for Sumitomo. Antigenics shall be entitled to a credit against up to [**] of the royalty payments required under paragraph 3 for the amounts paid by it in defending and enforcing the Subject Patent. Any recoveries which Antigenics receives as damages or settlement as the result of such measures shall be first credited to such royalty and the remaining sum, if any, shall be [**] by Sumitomo and Antigenics. Antigenics shall keep Sumitomo reasonably informed as to such infringement and measures, and shall not execute a settlement or compromise on such infringement without prior consent of Sumitomo, which consent shall not be unreasonably withheld or delayed. Sumitomo has the right to participate in or take any such measures at its own discretion and expense.

(2) Sumitomo shall be responsible for prosecution and maintenance of the Subject Patent, at its expense, and shall keep Antigenics informed thereof. In the event that Antigenics assumes, upon Sumitomo's request, the prosecution and maintenance of the Subject Patent, it shall be entitled to [**] against royalties due under paragraph 3 above.

8. Product Liability Antigenics shall indemnify and hold harmless Sumitomo (including its affiliates, employees, agents and representatives) against any and all claims, damages, liabilities, losses, costs and expenses of any kind or nature arising out of or in connection with third party claims or suits relating to the Products made, developed, manufactured, imported or sold by Antigenics or its sub-licensees.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

9. Term. This Agreement shall become effective on the date first above written and shall remain in full force until the latest expiration date of the Subject Patent. Sumitomo may terminate this Agreement if Antigenics contests the validity of the Subject Patent in any way. In addition, in the event that any sub-licensee [**] the [**] of the Subject Patent in any way, Sumitomo shall have the right to direct Antigenics to [**] the [**] with such sub-licensee by providing written notice to Antigenics. In the event Antigenics fails to [**] such [**] within [**] days of receipt of such notice by Sumitomo, Sumitomo shall have the right to [**] immediately upon written notice to Antigenics.

10. Termination. Either party may at any time immediately terminate this Agreement, by giving written notice to the other party, upon the happening of any of the following events:

(1) if the other party makes an assignment of substantially all of its assets for the benefit of creditors, is the subject of proceedings in voluntary or involuntary bankruptcy or reorganization instituted on behalf of or against such party, or has a receiver or trustee appointed for all or substantially all of its property;

(2) if the other party becomes insolvent, or is unable to pay its debts as and when they fall due;

(3) if a material default is made by the other party (for Antigenics case, which includes a material default against this Agreement made by sub-licensees) in performance or observance of any provision of this Agreement and such default is not rectified within [**] days after notice specifying the default. For the avoidance of doubt, in the event of a material default of a sub-licensee for which Sumitomo intends to exercise its termination rights hereunder, Sumitomo shall provide written notice to Antigenics, and Antigenics shall have the right to rectify such default by either (a) causing its sub-licensee to rectify such default within the [**] period, or (b) terminating the sub-license agreement within the [**] period if the sub- licensee does not rectify such default.

11. Early Termination by Sumitomo. In the event this Agreement is terminated by Sumitomo pursuant to Section 10 above prior to expiration (and not for a material default of the sub-licensee), Sumitomo will grant such sub-licensee a direct license to the Subject Patent on terms and conditions that are substantially the same as the applicable terms and conditions contained in this Agreement, and on financial terms no more favorable than those granted to Antigenics pursuant to this Agreement but no less favorable than the financial terms provided to such sub-licensee by Antigenics pursuant to the applicable sub-license agreement. However, Sumitomo shall have no greater obligations to such sub-licensee than the obligations Sumitomo has to Antigenics hereunder. In addition, the sub-licensee shall have obligations to Sumitomo under the direct license that are substantially the same as and at least equal to the obligations Antigenics has to Sumitomo hereunder.

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

12. Entire Agreement. This Agreement constitutes the whole and entire agreement between the parties with respect to the subject matter hereof, and replaces all previous representations, understandings, arrangements or agreements (including without limitation the Current Agreement) given or made by the parties with respect thereto, whether oral or in writing.

13. Non-assignment. Neither party may assign all or any of its rights under this Agreement without the prior written consent of the other party, which consent must not be unreasonably withheld. Notwithstanding the foregoing, and except in the case described in paragraph 10(1) above, either party may assign this Agreement without such consent to a third party that succeeds to all or substantially all of the assigning party's business or assets relating to this Agreement, whether by sale, merger, operation of law or otherwise provided that such assignee or transferee agrees in writing to be bound by the terms and conditions of this Agreement.

14. Governing Law. This Agreement, including its validity and interpretation, shall be construed and enforced in accordance with the laws of Japan, provided that validity, enforceability and claim interpretation of the Subject Patent shall be governed by the laws of the United States.

15. Arbitration. Any dispute or controversy between the parties as to the interpretation, enforcement or termination of this Agreement (other than patent disputes or controversies relating to the validity, enforceability and claim interpretation of the Subject Patent), which cannot otherwise be settled by the parties, shall be finally settled by binding arbitration under the Rules of the International Chamber of Commerce to be held at the principal place of business of the party against whom any such action was initiated. Such arbitration proceeding shall be conducted, in English, by a panel of 3 arbitrators appointed in accordance with such rules. The costs of the arbitration, including administrative fees and fees of the arbitrators, shall be shared equally by the parties, unless otherwise determined by the arbitrators. Each party shall bear the cost of its own attorneys' fees and expert fees incurred in such proceedings.

IN WITNESS HEREOF, the parties hereto have executed this Agreement in duplicate by their duly authorized representatives and each party keeps one each.

Accepted:
Antigenics Inc.

By: /s/ Russell Herndon
Russell Herndon
Title: President
Date: September 19, 2003

Accepted:
Sumitomo Pharmaceuticals Co., Ltd.

By: /s/ Hiroshi Noguchi
Hiroshi Noguchi, Ph.D.
Title: Director
Date: September 1, 2003

[**] = Portions of this agreement have been omitted pursuant to a confidential treatment request. An unredacted version of this agreement has been filed separately with the Commission.

Exhibit 10.28

ANTIGENICS INC

2004 EXECUTIVE INCENTIVE PLAN

PURPOSE OF PLAN

To provide additional incentive for key executives to contribute to the success of the Company. The Plan provides significant and competitive incentive awards which relate directly to the achievement of corporate objectives and individual performance goals. This, in turn, promotes and protects the interests of stockholders and enhances the Company's ability to attract, retain, motivate and compensate our employees.

Senior Management shall interpret and administer the Plan and its rules and regulations as outlined below.

AWARD FUND

The total bonus award fund for the plan year will be approved by the Compensation Committee of the Board of Directors on the recommendation of the Chief Executive Officer.

The recommendations will reflect an assessment of the Company's performance against key milestones/objectives agreed to for the plan year.

ELIGIBILITY FOR PARTICIPATION

Executives in good standing who are not eligible to participate in any other annual incentive plan.

Eligibility and the criteria for eligibility for participation in the Plan are not automatic from one year to the next, but are subject to an annual review by senior management. Exclusion of an otherwise eligible employee must have the approval of the Chief Executive Officer.

INDIVIDUAL PERFORMANCE OBJECTIVES

Incentive awards will be based upon the achievement of corporate objectives and individual performance goals. It is the responsibility of each functional head to set and communicate strategic goals, develop budgets, and formulate action plans in concurrence with their senior management. Based on plans, managers and employees are responsible for documenting agreed upon goals, targets and priorities using the performance management system, forms and timetables.

All performance objectives are pre-approved by senior management.

TARGETED INCENTIVE AWARD OPPORTUNITY

A significant and competitive targeted incentive award opportunity is assigned to each position. Target awards will typically range from 20% to 50%. The targeted award is expressed as a percentage of a participant's base salary. Actual awards will equal, exceed or fall below targeted incentive levels based on the extent to which performance objectives are achieved.

Targeted incentive award levels are subject to review each year by the Compensation Committee of the Board of Directors to ensure they remain competitive and consistent with Plan objectives.

DETERMINATION OF ACTUAL INCENTIVE EARNINGS

Awards will be funded from 0% to 150% based on the extent to which Antigenics' corporate objectives/milestones are achieved. At the approval of the Chief Executive Officer, awards may be adjusted to recognize individual goal attainment and performance that contributed to the achievement of corporate objectives/milestones.

TIMING OF INCENTIVE AWARD PAYMENTS

All incentive award payments will be paid on or about February 15th.

TAX TREATMENT OF AWARDS

Appropriate Federal, State and Local taxes will be deducted from all incentive award payments.

EFFECTIVE DATE OF SALARY

Incentive award payments will be calculated based on salary in effect on January 1st.

HIRES, PROMOTIONS, DEATHS & LAST WORKDAY PRECEDING RETIREMENT

Incentive awards for the above actions may be pro-rated throughout the Plan year based upon the number of months that the action is effective, including partial months at the discretion of senior management.

For example:

Hire - An employee hired on 7/15 will receive 5 months of incentive.

Promotion - An employee who is promoted from one bonus target level to another on 11/5 will receive a target incentive of the first percentage for 10 months and the second percentage for two months.

Death - An incentive award based on four months of earnings will be paid to the estate of an employee who dies on 4/20.

TERMINATIONS

Employees who are terminated by the Company (other than for reasons of death, disability, or retirement) or who voluntarily resign from the Company must be active on February 15th to receive the award payment.

LEAVES OF ABSENCE

The Company may, in its sole discretion, and consistent with applicable law, reduce awards in the event that an employee is on a leave of absence in excess of 30 working days.

Individuals who are receiving long-term disability benefits are no longer active employees, and therefore, are not eligible to participate in the incentive plan.

WITHHOLDING PAYMENTS

Participants do not have any enforceable right to receive any award made with respect to a fiscal year or to retain any payment made with respect thereto if for any reason during such entire fiscal year they have not performed their duties to the satisfaction of the Company. In cases where management deems it appropriate to withhold all or a part of a payment for performance related reasons, the performance issues must be documented and the affected employee must receive explicit notice that his/her payment under the Plan will be withheld if the performance issues are not addressed.

MISCELLANEOUS

Senior management shall review the operation of the Plan. If at any time continuation of the Plan or any of its provisions becomes inappropriate or inadvisable, the Plan or its provisions shall be revised, modified, suspended or withdrawn. The Company reserves the right to interpret this Plan in its sole discretion.

Participants do not have any right or interest, whether vested or otherwise, in the Plan or in any award unless and until all of the terms, conditions and provisions of the Plan and the conditions have been complied with. Nothing contained in the Plan or in the guidelines shall require the Company to segregate or earmark any cash, shares of stock or other property. Neither the adoption of the Plan nor its operation shall in any way affect the rights and power of the Company or of any Subsidiary to dismiss and/or discharge any employee at any time.

These guidelines are a summary intended to assist in the administration of the Plan. In cases where the summary conflicts with the actual Plan or the rules and regulations adopted by the Board and its designated Committee, those shall be followed.

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Antigenics Inc.:

We consent to the incorporation by reference in the registration statements on Form S-8 (Nos. 333-40440, 333-40442, 333-50434, 333-69580, 333-106072, and 333-115984) and on Form S-3 (Nos. 333-118171, 333-149116, and 333-69582) of Antigenics Inc. of our reports dated March 14, 2008, with respect to the consolidated balance sheets of Antigenics Inc. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of operations, stockholders' (deficit) equity and comprehensive loss, and cash flows for each of the years in the three-year period ended December 31, 2007, and the effectiveness of internal control over financial reporting as of December 31, 2007, which reports appear in the December 31, 2007 annual report on Form 10-K of Antigenics Inc.

Our report dated March 14, 2008 on the consolidated financial statements refers to the adoption of Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*, effective January 1, 2006.

/s/ KPMG LLP

Boston, Massachusetts
March 14, 2008

Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended

I, Garo H. Armen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Antigenics Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles;
   c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors:
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 14, 2008

/s/ GARO H. ARMEN, PH.D.

Garo H. Armen, Ph.D.
Chief Executive Officer

Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended

I, Shalini Sharp, certify that:

1. I have reviewed this Annual Report on Form 10-K of Antigenics Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles;
    c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors:
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 14, 2008

/s/ SHALINI SHARP

Shalini Sharp
Chief Financial Officer

Exhibit 32.1

Certification
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Antigenics Inc. (the "Company") for the year ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned to his/her knowledge hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GARO H. ARMEN, PH.D.

Garo H. Armen, Ph.D.
Chief Executive Officer

/s/ SHALINI SHARP

Shalini Sharp
Chief Financial Officer

March 14, 2008

A signed original of this written statement required by Section 906 has been provided to Antigenics Inc. and will be retained by Antigenics Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2007 and should not be considered filed as part of the Annual Report on Form 10-K.