SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number: 0-21990

OXiGENE, INC.
(Exact name of Registrant as specified in its charter)

DELAWARE	13-3679168
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

110 East 59th Street
New York, NY 10022
(Address of principal executive offices, including zip code)

(212) 421-0001
(Telephone number, including area code)

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

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

Common Stock, par value $.01 per share
Warrant to Purchase One Share of Common Stock

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

As of June 30, 1996, there were 7,271,282 shares of the Registrant's Common Stock issued and outstanding.

OXiGENE, INC.

This Quarterly Report on Form 10-Q contains historical information and forward-looking statements. Statements looking forward in time are included in this Form 10-Q pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. They involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to be materially different from any future performance suggested herein. In the context of forward-looking information provided in this Form 10-Q and in other reports, please refer to the discussion of risk factors detailed in, as well as the other information contained in, the Company's filings with the Securities and Exchange Commission during the past 12 months.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying consolidated financial statements have been prepared by OXiGENE, Inc. (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In the Company's opinion, these financial statements contain all adjustments necessary to present fairly the financial position of OXiGENE, Inc. as of June 30, 1996 and December 31, 1995, the results of operations for the three-month and six-month periods ended June 30, 1996 and June 30, 1995, and the cash flows for the six month periods ended June 30, 1996 and June 30, 1995. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1995. The results of operations for the period ended June 30, 1996 are not necessarily indicative of the results of operations and cash flows for any subsequent interim period or for the full year.

OXiGENE, Inc.
(A development stage company)
Consolidated Balance Sheets
(All amounts in thousands)

	June 30, 1996 (Unaudited)	December 31, 1995
Assets		
Current assets:		
Cash and cash equivalents	10,710	10,407
Securities available-for-sale	--	502
Prepaid expenses	80	50
Interest receivable	77	202
Other	21	19
Total current assets	10,888	11,180
Furniture, fixtures and equipment, at cost	73	62
Accumulated depreciation	(31)	(25)
Net property and equipment	42	37
Deposits	10	10
Total Assets	10,940	11,227
Liabilities and stockholders' equity		
Current Liabilities:		
Accounts payable and accrued expenses:		
Due to Cato Research, Ltd.	75	134
Other payables	748	536
Total current liabilities	823	670
Stockholders' equity Common stock $0.01 par value:		
Authorized shares - 15,000,000 shares Issued and outstanding 7,271,285 at June 30, 1996		
6,823,300 at December 31, 1995	72	68
Additional paid-in capital	24,853	21,864
Common stock subscribed	98	--
Subscription receivable	(98)	--
Deficit accumulated during the development stage	(14,811)	(11,400)
Foreign currency translation adjustment	3	25
Total stockholders' equity	10,117	10,557
Total liabilities and stockholders' equity	10,940	11,227

The accompanying notes are an integral part of this statement

OXiGENE, Inc.
(A development stage company)
Consolidated Statement of Operations
(All amounts in thousands, except per share date)
(Unaudited)

	Three months ended		Six months ended	
	June 30, 1996	June 30, 1995	June 30, 1996	June 30, 1995
Revenue				
Interest income	125	29	254	82
Operating expenses				
Research and development:				
Cato Research, Ltd.	160	134	388	282
Other	1,182	478	1,968	991
Total research and development	1,342	612	2,356	1,273
General and administrative	681	233	1,309	646
Total operating expenses	2,023	845	3,665	1,919
Net loss	1,898)	(816)	(3,411)	(1,837)
Net loss per common share	(0.27)	(0.16)	(0.49)	(0.36)
Weighted average number of common shares outstanding	6,971	5,058	6,971	5,058

The accompanying notes are an integral part of this statement

OXiGENE, Inc.
(A development stage company)
Consolidated Statements of Cash Flows
(All amounts in thousands)
(Unaudited)

	Six months ended	
	June 30, 1996	June 30, 1995
Operating activities		
Net Loss	(3,411)	(1,837)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation	6	4
Amortization of debt securities	--	9
Compensation related to issuance of warrants, options and stock appreciation rights	1,008	--
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	93	138
Accounts payable and accrued expenses	375	(52)
Net cash used in operating activities	(1,929)	(1,738)
Financing activities		
Proceeds from issuance of common stock, net	1,710	--
Other capital contribution	53	
Net cash provided by financing activities	1,763	--
Investing activities		
Proceeds from sale of securities available-for-sale	502	848
Purchase of furniture, fixture and equipment	(11)	(18)
Net cash used in investing activities	491	830
Effect of exchange rate on changes in cash	(22)	
Net increase (decrease) in cash and cash equivalents	303	(908)
Cash and cash equivalents at beginning of period	10,407	1,194
Cash and cash equivalents at end of period	10,710	286

The accompanying notes are an integral part of this statement

OXiGENE, INC.
(A development stage company)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

1. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 1996 are not necessarily indicative of the results that may be expected for the year ending December 31, 1996. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1995.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments with a maturity of three months or less when purchased to be cash equivalents.

Net Loss Per Share

Net loss per share is based upon the Company's aggregate net loss divided by the weighted average number of shares of Common Stock outstanding during the respective periods. All options and warrants were antidilutive and, accordingly, excluded from the calculation of weighted average shares.

2. Principles of Consolidation

At the end of 1994, the Company established a wholly-owned operating subsidiary in Sweden, OXiGENE (Europe) AB. This subsidiary manages and controls the Company's research and development work, and monitors the European clinical trials. The consolidated financial statements include the accounts of the Company and OXiGENE Europe AB, effective January 1, 1995.

Intercompany balances and transactions have been eliminated.

3. Stockholder's Equity

During the six-month period ended June 30, 1996, the Company issued 397,982 shares of Common Stock upon exercise of previously granted warrants.

Item 2. Management's Discussion and Analysis
of Financial Condition and Results of Operations

Description of Business

OXiGENE is a development stage pharmaceutical company engaged primarily in developing products designed to enhance traditional treatments for cancer, aging, and autoimmune diseases. Currently under development are (1) therapeutics that inhibit the ability of cancer cells to repair their DNA structure after damage produced by radiation or chemotherapy; (2) chemopreventive agents that stimulate DNA repair to strengthen the body's immune system; and (3) diagnostics that measure DNA activity to determine immune function and status. Since its inception in February, 1988, the Company has devoted substantially all of its efforts and resources to research and development conducted on its own behalf and through collaborations with clinical institutions, primarily the University of Lund, Sweden. The Company has generated a cumulative net loss of $14,811,000 for the period from its inception through June 30, 1996. The Company expects to incur additional operating losses in the year ending December 31, 1996, and for several years thereafter, principally as a result of its continuing anticipated research and development and clinical trials expenditures. The major source of the Company's working capital has been the proceeds of private and public equity financings. Most recently, in the summer of 1995, the Company completed a private placement of approximately $10,000,000, before expenses. As of June 30, 1996, the Company had no long-term debt or loans payable. Since its inception, the Company has had no licensing or other fee income, and does not anticipate any such income for the foreseeable future.

Results of Operations - Six Months Ended June 30, 1996 and 1995

During the six months ended June 30, 1996 and 1995, the Company had no income, except for interest income of approximately $254,000 and $82,000 for those respective periods. The increase in interest income is attributable primarily to the increase in cash and cash equivalents as a result of the completion of a $10 million (before expenses) private placement in the summer of 1995. The operating expenses for those periods were approximately $3,665,000 and $1,919,000, respectively. The research and development expenses for the same periods were approximately $2,356,000 and $1,273,000, respectively, and the general and administrative expenses were approximately $1,309,000 and $646,000, respectively. The increase in reported research and development expenses was attributable to a charge for financial reporting purposes of approximately $1,007,000. This charge was recorded because the market value per share of Common Stock on June 30, 1996 ($25.50) exceeded the exercise price of stock appreciation rights previously granted by the Company to certain clinical investigators and consultants. Without giving effect to such charge, research and development expenses increased by approximately $76,000, compared to the comparable 1995 period. Generally, the Company makes payments to its clinical investigators if and when certain predetermined milestones in its clinical trials are reached, rather than on a fixed quarterly or monthly basis. As a result of the foregoing and the existence of outstanding stock appreciation rights, research and development expenses have fluctuated, and are expected to continue to fluctuate, from quarter to quarter. General and administrative expenses increased primarily as a result of an increase in the Company's activities, mostly in Sweden.

Liquidity and Capital Resources

The company has experienced net losses and negative cash flow from operations each year since its inception and, as of June 30, 1996, the Company had a cumulative deficit of $14,811,000. To date, the Company has financed its operations primarily through the proceeds of private and public equity financings. The Company has attempted to contain costs and reduce cash outflow by maintaining low overhead costs, using consultants as required and utilizing facilities available at the University of Lund, Sweden, for research and development.

At December 31, 1995, the Company had approximately $10,909,000 in cash and cash equivalents and marketable securities available for sale. In the first quarter of 1996, the Company disposed of its marketable securities. The proceeds from this disposition were mostly used to finance operations during the three months ended March 31, 1996. In the quarter ended June 30, 1996, an aggregate of 240,100 options and warrants were exercised, with proceeds to the Company of $1,427,285. A portion of these proceeds was used to finance operations during the three months ended June 30, 1996. The Company had cash and cash equivalents of approximately $10,710,000 at June 30, 1996, compared to approximately $10,407,000 at March 31, 1996.

The Company expects to incur additional expenses which will probably result in significant losses over the next several years as it continues to expand its research and development activities and undertakes the clinical trials required to bring its products to the marketplace.

The Company's policy is to maintain a relatively small number of executives and to rely as much as possible on outside services for its clinical research, clinical trials and administration. The Company maintains small executive offices in New York and in Lund, Sweden, both of which are subleased. Further, the Company contemplates subleasing new laboratory space in the New York metropolitan area that will complement research activities with those at the Lund facility. The Company contracts with Cato Research, Ltd., Durham, North Carolina, for the coordination of the Company's clinical trials and retention of its clinical files. The Company pays the University of Lund, Sweden and other hospitals, where applicable, on a per patient basis for conducting its clinical trials.

The Company's working capital and capital requirements may, however, vary materially from those now planned due to numerous factors including, but not limited to, the progress of the Company's research and development programs, the results of preclinical testing and clinical trials, the timing and costs involved in obtaining regulatory approvals, the level of resources that the Company will devote to the development of its manufacturing, marketing and sales capabilities, technological advances, the approval of pending patent applications and the status of collaborative agreements with other companies to provide funding and services to the Company to support or defray some of or all of the costs associated with any of or all these activities. The Company anticipates that its cash and cash equivalents will be sufficient to complete the perquisite clinical trials prior to regulatory approval for its current compounds, Sensamide(TM) and Neu-Sensamide(TM). A collaborative agreement with a third party to complete development of these or other products or bring products to market will be sought during 1996 and thereafter. There can be no assurance that the Company's cash and cash equivalents will be sufficient to attain clinical trials milestones or that a third party collaboration can be realized or that additional financing, if required, will be available on acceptable terms, if at all. The Company had no material commitments for capital expenditures as of June 30, 1996.

Tax Matters

As of December 31, 1995, the Company had, for Federal income tax purposes, net operating loss carryforwards of approximately $10,672,000. Pursuant to the Tax Reform Act of 1986, annual utilization of the Company's net operating loss carryforwards may be limited if a cumulative change in ownership of the Company's stock of more than 50% (within the meaning of the Internal Revenue Code) occurs within any three-year period. The Company has made no determination concerning whether there has been such a cumulative change in ownership and it is possible that such a change in ownership may be deemed to have occurred following the Company's initial public offering, which was completed in October, 1993, and/or the private placement of 1,666,700 shares of Common Stock, which was completed in July 1995.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There are no legal proceedings pending or, to the Company's best knowledge, threatened against the Company.

Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

None.

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

On June 14, 1996, the Company held its Annual Meeting of Stockholders (the "Meeting") in Stockholm, Sweden. At the Meeting, all nominees for director, Professor Marvin Caruthers, Michael Ionata, Dr. Bjorn Nordenvall, Dr. Ronald W. Pero and Dr. Claus M0ller, were elected. There were 5,545,251 (or 96.2%) votes cast in favor, and 221,700 (or 3.8%) votes cast against the election of each of the aforementioned nominees for director.

The Company's stockholders ratified the appointment of Ernst & Young LLP as the Company's independent auditors for the year ending December 31, 1996, with 5,750,141 votes (or 99.7%) cast in favor, 16,310 votes against, and 500 abstentions.

The Company's stockholders were also asked to approve (1) an amendment to the Company's Amended and Restated Stock Incentive Plan, (2) the OXiGENE, Inc. 1996 Stock Incentive Plan, (3) the terms of indemnification agreements between the Company and its directors, executive officers and key employees, and (4) an amendment to the Company's Amended and Restated Certificate of Incorporation, increasing the number of authorized shares of Common Stock from 15 million shares to 60 million shares. Each of these proposals was approved by a majority of the shares present at the Meeting, either in person or by proxy, and entitled to vote, except for the proposal regarding an amendment to the Company's Amended and Restated Certificate of Incorporation, which was approved by a majority of the Company's issued and outstanding shares of Common Stock. The following table sets forth the votes cast for each of the foregoing proposals:

	Votes "FOR"	Votes "AGAINST"	Abstentions	Non-votes
Amendment to Amended and Restated Stock Incentive Plan**	3,759,259 (65.2%)	24,960*	5,000*	1,977,732 (34.2%)
OXiGENE, Inc. 1996 Stock Incentive Plan**	3,653,814 (63.4%)	159,560 (2.8%)	4,700*	1,948,877 (33.8%)
Indemnification Agreements**	3,815,918 (66.2%)	60,510 (1.0%)	695,000 (12.1%)	1,205,523 (20.9%)
Amendment to Amended and Restated Certificate of Incorporation***	4,392,523 (62.5%)	171,010 (2.4%)	4,700*	1,198,718 (17.1%)

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Numbers do not add up to 100% due to rounding.

* Represents less than 1%.

** Percentage calculated on basis of number of shares present at the Meeting, either in person or by proxy, and entitled to vote.

*** Percentage calculated on basis of number of shares of Common Stock issued and outstanding.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

The following exhibit is filed as part of this Quarterly Report on Form 10-Q:

27.1 Financial Data Schedule

99.1 Press Release, dated June 14, 1996, with respect to the election of OXiGENE's new board of directors

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the second quarter of 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OXiGENE, INC.

Date: August 12, 1996

/s/ Bjorn Nordenvall

Bjorn Nordenvall
President and Chief
Executive Officer

OXiGENE, INC.

Quarterly Report on Form 10-Q
for the Fiscal Quarter Ended June 30, 1996

Exhibits

Exhibit Number	Description
27.1	Financial data schedule.
99.1	Press release dated June 14, 1996.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENT OF OXiGENE, INC. FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS

DEC-31-1996
JUN-30-1996
10,710
0
0
0
0
10,888
73
(31)
10,940
823
0
0
0
0
72
10,045
10,940
0
254
0
0
3,665
0
0
(3,411)
0
(3,411)
0
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0
(3,411)
(0.49)
(0.49)

EXHIBIT 99.1

OXIGENE ANNOUNCES ELECTION OF NEW BOARD OF DIRECTORS

New York and Lund - June 14, 1996-

OXIGENE, Inc. (Nasdaq: OXGN) today announced the election of its new Board of Directors at the Annual Meeting of Stockholders held in Stockholm, Sweden, today. The new Board of Directors consists of:

Professor Marvin H. Caruthers - Dr. Caruthers is Professor of Chemistry and Biochemistry at the University of Colorado, Boulder, Colorado. Dr Caruthers is one of the founding scientists of Amgen, Inc. and Applied Biosystems, Inc.

Michael Ionata - Mr. Ionata is Director of Corporate Finance of Nordberg Capital, Inc., an investment bank based in New York.

Dr. Bjorn Nordenvall, Chief Executive Office of OXiGENE.

Professor Ronald Pero, Chief Scientific Officer of OXiGENE.

Dr. Claus Moller, Chief Medical Officer of OXiGENE.

OXIGENE also announced that Dr. Peter Sjostrand, former CFO of Astra and currently President of Pharma Vision AG, Zurich, Switzerland, and Professor Hans Wigzell, Dean of the Karolinska Institute, Stockholm, Sweden and member of the Nobel Prize Committee will become advisors to the Company's Board of Directors.

OXIGENE, Inc. is engaged in the development of drugs within the Company's core technology, the cellular DNA repair mechanism. Particularly, the Company's research and clinical trials focus on enhancing the clinical efficacy of radiation and chemotherapy in cancer treatment. The Company is currently conducting a clinical phase II/III with Sensamide(TM), a drug for enhancing the effect of radiation treatment in lung cancer, and is planning future trials with Neu-Sensamide(TM), its second generation drug in lung cancer and other cancer indications. OXiGENE as been traded on Nasdaq in the USA since 1993. D. Carnegie AB is conducting an unofficial trading of OXiGENE shares in Sweden.

More information: Dr. Bjorn Nordenvall, CEO
OXiGENE, Inc. phone: (212) 421-0001
OXiGENE (Europe) AB, phone: +48-46-16 68 60