

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

Filing Date: **1995-07-28** | Period of Report: **1995-07-24**

SEC Accession No. 0000942794-95-000008

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### FILER

#### **CAMBRIDGE BIOTECH CORP**

CIK: **704292** | IRS No.: **042726626** | State of Incorporation: **DE** | Fiscal Year End: **1231**

Type: **8-K** | Act: **34** | File No.: **000-12081** | Film No.: **95557155**

SIC: **2835** In vitro & in vivo diagnostic substances

#### Mailing Address

365 PLANTATION STREET  
WORCESTER MA 01605

#### Business Address

365 PLANTATION ST  
BIOTECHNOLOGY  
RESEARCH PK  
WORCESTER MA 01605  
508-979-57

Item 5. Other Events.

Attached hereto as Exhibit A is a copy of the Registrant's monthly operating report dated July 24, 1995 (the "Monthly Operating Report"), to the United States Bankruptcy Court Trustee for the District of Massachusetts, Western Division, relating to the Registrant's petition under Chapter 11 of the United States Bankruptcy Code, Case No. 94-43054-JFQ.

The Monthly Operating Report has not been audited by the Registrant's independent, certified public accountants, nor does the Monthly Operating Report contain complete consolidated information relating to the Company's subsidiaries and affiliates or adjustments which may be required as a result of an independent audit of the Registrant's financial statements, including adjustments relating to the special investigation described in the Company's reports on Form 8-K filed with the Securities and Exchange Commission on April 6, 1994 and May 13, 1994, respectively.

Item 7. Exhibits.

The Registrant's Monthly Operating Report dated July 24, 1995 filed with the United States Bankruptcy Court Trustee for the District of Massachusetts, Western Division, Case No. 94-43054-JFQ.

SIGNATURES

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

CAMBRIDGE BIOTECH CORPORATION

Dated: July 28, 1995

By: \s\ Alison Taunton-Rigby  
Alison Taunton-Rigby, President

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MASSACHUSETTS

IN RE: CAMBRIDGE BIOTECH CORPORATION      CASE NO.: 94-43054-JFQ  
365 PLANTATION STREET                      JUDGE:      J.F. QUEENAN  
WORCESTER, MA 01605-2376

DEBTOR(S): CAMBRIDGE BIOTECH CORPORATION,                      CHAPTER: 11  
DEBTOR-IN-POSSESSION

MONTHLY OPERATING REPORT FOR MONTH ENDING:      JUNE 30, 1995

COMES NOW,                      CAMBRIDGE BIOTECH CORPORATION

Debtor-in-Possession, and hereby submits its Monthly Operating Report for the period commencing June 1, 1995 and ending June 30, 1995 as shown by the report and exhibits consisting of twenty pages and containing the following, as indicated:

Monthly Reporting Questionnaire (Attachment 1)  
 Comparative Balance Sheets (Forms OPR-1 & OPR-2)  
 Summary of Accounts Receivable (Form OPR-3)  
 Schedule of Post-petition Liabilities (Form OPR-4)  
 Income Statement (Form OPR-5)  
 Statement of Sources and Uses of Cash (Form OPR-6)

I declare under penalty of perjury that this report and all attachments are true and correct to the best of my knowledge and belief.

Date: July 24, 1995

DEBTOR(S)-IN-POSSESSION

By: /s/ Alison Taunton-Rigby  
Name & Title: Alison Taunton-Rigby  
President & CEO  
Address: 365 Plantation Street  
Worcester, MA 01605-2376  
Telephone No.: 508-797-5777

Footnote:

As Debtor-in-Possession commenced filing on July 7, 1994

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Attachment 1 (Page 1)  
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CHAPTER 11  
MONTHLY OPERATING REPORT  
MONTHLY REPORTING QUESTIONNAIRE

Case Name: CAMBRIDGE BIOTECH CORPORATION  
Case Number: 94-43054  
Month of: JUNE 1, 1995 THROUGH JUNE 30, 1995

1. Payroll: State the amount of all executive wages paid and taxes withheld and paid.

see attached

2. Insurance: Is worker's compensation and other insurance in effect? YES.  
Are payments current? YES. If any policy has lapsed, been replaced or renewed, state so in the schedule below. Attach a copy of the new policy's binder or cover page.

	Carrier Name	Coverage Amount	Policy #	Expir. Date	Premium Amounts	Date Coverage Pd. Thru
Homeowners						
Rental Property						
Liability						
Vehicle						
Workers Comp GA	The Travelers	500,000	6H-VB-409K 187-6-95	6/4/96	\$1,171	6/4/96
Workers Comp TX, FL, & CO	CNA/Continental	500,000	11W881330 195F	6/4/96	\$1,508	6/4/96
Other						

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NCCI COMPANY NUMBER - 15113  
CO.CODE 11  
POLICY NUMBER 11W 881 3301 95F

Policy  
Issued By THE CONTINENTAL INSURANCE COMPANY  
A Stock company

Producer's  
Name WILLIAM GALLAGHER ASSOC. INS. AGC  
and 200 STATE ST.  
Address BOSTON

Producer's Code 20079166  
Renewal of 13W 882 8657 94F

WORKER'S COMPENSATION AND EMPLOYERS  
LIABILITY INSURANCE POLICY INFORMATION PAGE

The insured is a corporation

ITEM 1. CAMBRIDGE BIOTECH CORPORATION  
Name of 365 PLANTATION STREET  
Insured WORCESTER  
and  
Address

Other workplaces not shown above See item 4

Audit period for this policy at expiration

Billing plan agency bill - annually

ITEM 2. AUDIT PERIOD  
POLICY FROM 12:01 A.M., 06/04/95 TO 06/04/96 FOR THIS POLICY AT EXPIRATION  
PERIOD:  
12:01 A.M., Standard Time at the  
Insured's mailing address

ITEM 3. A. Worker's Compensation Insurance: Part One of the policy  
applies to Workers Compensation Law of the states  
listed here:

SEE ITEM 4 BELOW

B. Employers Liability Insurance: Part Two of the policy  
applies to work in each state listed in Item 3A.

The limits of our liability under Part Two are:

Bodily Injury by Accident	\$ 500,000	each accident
Bodily Injury by Disease	\$ 500,000	policy limit
Bodily Injury by Disease	\$ 500,000	each employee

C. Other States Insurance: Part Three of the policy applies  
to the states, if any, listed here:

ALL STATES EXCEPT NEVADA, N. DAKOTA, OHIO, WASHINGTON,  
W. VIRGINIA, MAINE,  
WYOMING, AND STATES DESIGNATED IN ITEM 3A OF THE  
INFORMATION PAGE.

D This policy includes these endorsements and schedules:

001-WC000403

ITEM 4. The premium for this policy will be determined by our Manual of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

LOCATION	CLASSIFICATIONS	PREMIUM BASIS		
SUPPLY	CODE	TOTAL	RATE	ESTIMATED
	NUMBER	ESTIMATED ANNUAL	PER \$100 OF	ANNUAL
		REMUNERATION	REMUNERATION	PREMIUM
		05-COLORADO		279
		09-FLORIDA		606
		42-TEXAS		623
	TOTAL TAXES		0.00	
	EXPENSE CONSTANT COLLECTED IN:			
	42-Texas			
	Total Estimated Standard Premium		\$	1308

Expense Constant  
 27D 1508 TOTAL ESTIMATED ANNUAL PREMIUM \$ 1508

SERVICING OFFICE: 333 GLEN STREET GLENS FALLS NY 12881  
 THIS INFORMATION PAGE SHALL NOT BE BINDING UPON THE COMPANY UNLESS  
 COUNTERSIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE COMPANY  
 LIAB 85718 WC 00 00 01A Countersigned by\_\_\_\_\_

INSURED COPY WILLIAM GALLAGHER ASSOCIATES

-----  
 THE TRAVELERS WORKERS COMPENSATION  
 AND  
 EMPLOYERS LIABILITY POLICY

The Travelers Insurance Companies  
 (Each A Stock Insurance Company)  
 Hartford, CT 06183-4040

TYPE AR INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER (6H-UB-409K187-6-95)  
 RENEWAL OF (6H-UB-409K187-6-95)

INSURER: THE TRAVELERS INDEMNITY COMPANY OF AMERICA

NCCI CO CODE: 13439

1. INSURED:

PRODUCER:

CAMBRIDGE BIO-TECH CORPORATION  
 365 PLANTATION STREET  
 WORCESTER MA 01605

WILLIAM GALLAGHER ASSOC  
 200 STATE ST, 13TH FL  
 BOSTON MA 02109

Insured is A CORPORATION

Other work) places and identification numbers are shown on the schedule(s) attached.

2. The policy period is from 06-04-95 to 06-04-96 12:01 A.M. at the Insured's mailing address.

3. A. WORKERS COMPENSATION INSURANCE: Part One of the policy applies to the Workers Compensation Law of the state(s) listed here:

GA

B. EMPLOYERS LIABILITY INSURANCE: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident: \$500,000 Each Accident  
Bodily Injury by Disease: \$500,000 Policy Limit  
Bodily Injury by Disease: \$500,000 Each Employee

C. OTHER STATES INSURANCE: Part Three of the policy applies to the states, if any, listed here:

COVERAGE EXCLUDED.

D. This policy includes these endorsements and schedules:

WC000414(00)-001 WC100601(A)-001

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made ANNUALLY.

DATE OF ISSUE: 06-06-95 EB ST ASSIGN: GA  
OFFICE: ORIND 870 DISTRICT: C-09  
PRODUCER: WILLIAM GALLAGHER ASSOC 28TGC

Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Month of:  
June, 1995

SCHEDULE #1

Monthly Operating Report - Wages - Executives  
June 1 thru June 30, 1995

Name	Title	Gross	Net	Taxes Withheld	Taxes Paid	Taxes Due
A.Taunton-Rigby	Pres./CEO	17,307.69	9,640.18	7,667.51	7,667.51	0.00
Jeffrey Beaver	Chairman	7,692.32	4,450.24	3,242.08	3,242.08	0.00
Gary Long	V.P.Corp. Ops	9,615.40	6,754.43	2,860.97	2,860.97	0.00
Keith Jones	Corp.Contr.	5,923.07	4,420.53	1,502.54	1,502.54	0.00

-----  
 Total Executive Payroll:            40,538.48    25,265.38    15,273.10    15,273.10    0.00  
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Attachment 1 (Page 2)  
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CHAPTER 11  
 MONTHLY OPERATING REPORT  
 DETAILED LISTING OF DISBURSEMENTS

Case Name: Cambridge Biotech Corporation  
 Case Number: 94-43054  
 Month of: June 1, 1995 through June 30, 1995

3. Bank Accounts

Bank Name	ACCOUNT TYPE			
	OPERATING Fleet	OPERATING First Nat'l BOM	PAYROLL Bank of Balt	PAYROLL Flagship
G/L number	1.1113	2.1129	2.1124.1	1.1119.1
Account number	9372562275	175-8828-5	39-12388	1023381112
Beginning Book Balance	\$28,340.21	\$600.56	\$ 5,271.02	\$17,326.45
PLUS: Deposits	1,828,238.15			
LESS: Disbursements	(1,342,749.49)	(2,979.35)		(536,639.51)
Other:				
Transfers In(Out)	(578,200.76)	2,700.00		535,007.04
Investments	74,850.00			
	-----	-----	-----	-----
Ending Book Balance (1)	\$10,478.11	\$321.21	\$ 5,271.02	\$15,693.98
	=====	=====	=====	=====

Attachment 1 (Page 2)  
 Rev 1/92

CHAPTER 11  
 MONTHLY OPERATING REPORT  
 DETAILED LISTING OF DISBURSEMENTS



Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Month of: June 1, 1995 through June 30, 1995

3. Bank Accounts

Bank Name	ACCOUNT TYPE		TOTAL
	OPERATING	PETTY CASH	
Nations Bank		N/A	
G/L number	2.1127	xx.1150	
Account number	3933333731	N/A	
Beginning Book Balance	\$5,209.77	\$1,151.65	\$ 57,899.66
PLUS: Deposits			1,828,238.15
LESS: Disbursements	(39,103.11)	( 1,439.61)	(1,922,911.07)
Other:			
Transfers In(Out)	39,145.37	1,348.35	0.00
Investments			74,850.00
Ending Book Balance (1)	\$ 5,252.03 =====	\$1,060.39 =====	\$38,076.74 =====

(1) Cash balances exclude \$5,976,957 of short term investments of excess cash. The total cash and short term investments decreased for the month of June by \$94,673 and increased since the 7/7/94 filing date by \$3,405,294.

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054

As of: June 30, 1995

Monthly Operating Report

4. Post Petition Payments:

	Amount	Date	Check #
Professionals:			
Bowditch & Dewey	\$18,185.56	6/06/95	70025
Bowditch & Dewey	22,446.16	6/29/95	70482
Bromberg & Sunstein	59.35	6/29/95	70483
Hale & Dorr	6,501.31	6/02/95	69967
Sterne, Kessler, Goldstein	48,735.88	6/15/95	70204
Sterne, Kessler, Goldstein	40,429.14	6/27/95	70431

Venable, Baetjer & Howard	242.63	6/23/95	70379
Venable, Baetjer & Howard	2,635.95	6/29/95	70507
	-----		
Total (Professionals)	\$139,235.98		
	=====		

Pre-Petition Debts:

For Priority Debt:			
Accrued Vacation Taken	\$1,365.40	various	
	-----		
	1,365.40		
For Secured Debt:			
Norwest Capital Lease Payment (2.3505)	375.22	6/15/95	70191
	-----		
	375.22		
For Unsecured Debt:			
Accrued Vacation Taken	334.60	various	
	-----		
	334.60		
For Accrued Restructuring:			
Total Mgmt Solutions	340.00	6/21/95	70332
Rockville Retention Bonus Payments (TMS)	4,500.00	6/30/95	wire transfer
	4,840.00		
	-----		
Total (Pre-petition)	\$ 6,915.22		
	=====		

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-1

Comparative Balance Sheets  
As of: June 30, 1995

	FILING			
	DATE	7/31/94	8/31/94	9/30/94
ASSETS				
CURRENT ASSETS:				
Cash	\$1,287,187	\$771,969	\$863,230	\$744,627
Other Negotiable Instruments (CD's, Treasury bills, etc.	1,322,553	2,925,553	3,235,553	2,001,807
Accounts Receivable (See OPR-3)	2,813,217	2,798,473	2,426,792	3,072,351
Less: Allowance for				

doubtful accounts	(159,413)	(153,957)	(156,702)	(156,702)
Inventory, at lower of cost or market	4,619,236	4,575,836	4,436,073	3,837,729
Prepaid Expenses and Deposits	540,318	758,112	724,877	917,900
Other Receivables	38,793	68,301	19,737	81,504
TOTAL CURRENT ASSETS	10,461,891	11,744,287	11,549,560	10,499,216
PROPERTY, PLANT AND EQUIPMENT, AT COST	27,437,762	27,440,087	27,443,284	27,400,776
Less: Accumulated Depreciation	(13,006,471)	(13,250,916)	(13,518,839)	(13,794,569)
NET PROPERTY, PLANT & EQUIP.	14,431,291	14,189,171	13,924,445	13,606,207
OTHER ASSETS				
Investment in Foreign Subsidiary & Interco Receivables	7,302,195	7,225,880	7,333,273	7,320,217
Equity Investments in Minority Interests	2,698,719	2,698,719	2,698,719	2,448,719
Long term Notes Receivable	120,000	120,000	120,000	120,000
Patents & Purchased Technology, net	4,335,293	4,278,428	4,208,789	4,139,151
Misc. other assets	83,666	83,543	85,921	103,250
NET OTHER ASSETS	14,539,873	14,406,570	14,446,702	14,131,337
TOTAL ASSETS	\$39,433,055	\$40,340,028	\$39,920,707	\$38,236,760

See Accompanying Notes to Financial Statements

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-1

Comparative Balance Sheets  
As of: June 30, 1995

	10/31/94	11/30/94	12/31/94	1/31/95
ASSETS				
CURRENT ASSETS:				
Cash	\$121,108	\$1,978,464	\$41,017	\$70,469
Other Negotiable Instruments (CD's, Treasury bills, etc.	2,744,989	6,518,489	8,396,774	8,171,774
Accounts Receivable (See OPR-3)	2,456,055	2,020,214	2,676,067	2,366,192
Less: Allowance for				

doubtful accounts	(154,965)	(154,988)	(150,200)	(150,754)
Inventory, at lower of cost or market	3,992,196	4,161,087	3,623,742	3,724,804
Prepaid Expenses and Deposits	843,827	1,049,251	836,285	857,048
Other Receivables	112,983	65,389	92,624	78,022
TOTAL CURRENT ASSETS	10,116,193	15,637,906	15,516,309	15,117,555
PROPERTY, PLANT AND EQUIPMENT, AT COST	27,395,379	27,392,289	27,361,463	27,367,498
Less: Accumulated Depreciation	(14,056,613)	(14,318,428)	(14,526,151)	(14,773,133)
NET PROPERTY, PLANT & EQUIP.	13,338,766	13,073,861	12,835,312	12,594,365
OTHER ASSETS				
Investment in Foreign Subsidiary & Interco Receivables	7,319,514	1,100	1,100	1,100
Equity Investments in Minority Interests	2,448,719	2,393,118	2,084,547	2,084,547
Long term Notes Receivable	120,000	120,000	0	0
Patents & Purchased Technology, net	4,089,540	4,017,654	4,057,044	3,996,889
Misc. other assets	110,888	72,832	105,791	105,668
NET OTHER ASSETS	14,088,661	6,604,704	6,248,482	6,188,204
TOTAL ASSETS	\$37,543,620	\$35,316,471	\$34,600,103	\$33,900,124

See Accompanying Notes to Financial Statements

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Comparative Balance Sheets

As of: June 30, 1995

	2/28/95	3/31/95	4/30/95
ASSETS			
CURRENT ASSETS:			
Cash	(\$155,657)	\$114,214	\$73,689
Other Negotiable Instruments (i.e., Commercial Paper, CD's Repo's, etc.)	8,159,683	6,479,683	6,162,566
Accounts Receivable (See OPR-3)	2,489,859	2,902,506	2,792,862
Less: Allowance for doubtful accounts	(151,583)	(148,773)	(155,829)
Inventory, at lower of cost or market	3,567,739	3,624,245	3,711,567
Prepaid Expenses and Deposits	931,831	1,198,892	1,229,568
Other Receivables	60,615	61,603	64,693
TOTAL CURRENT ASSETS	14,902,487	14,232,370	13,879,116
PROPERTY, PLANT AND EQUIPMENT, AT COST	27,379,288	27,480,169	27,479,539

Less: Accumulated Depreciation	(15,008,591)	(15,241,885)	(15,471,782)
NET PROPERTY, PLANT & EQUIP.	12,370,697	12,238,284	12,007,757

OTHER ASSETS

Investment in Foreign Subsidiary & Interco. Receivables	1,100	1,100	1,100
Equity Investments in Minority Interests	2,084,547	2,084,547	2,084,547
Long term Notes Receivable	0	0	0
Patents & Purchased Technology, net	3,943,189	3,900,274	3,854,572
Misc. other assets	105,546	105,423	105,301
NET OTHER ASSETS	6,134,382	6,091,344	6,045,520
	-----	-----	-----
TOTAL ASSETS	\$33,407,566	\$32,561,998	\$31,932,393

See Accompanying Notes to Financial Statements

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Comparative Balance Sheets  
As of: June 30, 1995

ASSETS	5/31/95	6/30/95
CURRENT ASSETS:		
Cash	\$57,900	\$38,077
Other Negotiable Instruments (i.e, Commercial Paper, CD's Repo's, etc.	6,051,807	5,976,957
Accounts Receivable (See OPR-3)	2,804,766	3,122,119
Less: Allowance for doubtful accounts	(159,019)	(166,019)
Inventory, at lower of cost or market	3,578,844	3,561,616
Prepaid Expenses and Deposits	1,261,826	1,234,929
Other Receivables	62,896	55,077
TOTAL CURRENT ASSETS	13,659,020	13,822,756
PROPERTY, PLANT AND EQUIPMENT, AT COST	27,498,276	27,488,294
Less: Accumulated Depreciation	(15,699,736)	(15,899,373)
NET PROPERTY, PLANT & EQUIP.	11,798,540	11,588,921

OTHER ASSETS

Investment in Foreign Subsidiary & Interco. Receivables	1,100	1,100
Equity Investments in Minority Interests	2,084,547	2,084,547
Long term Notes Receivable	0	0
Patents & Purchased Technology, net	3,812,181	3,847,391
Misc. other assets	105,179	105,056
NET OTHER ASSETS	6,003,007	6,038,094

TOTAL ASSETS

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\$31,460,567 \$31,449,771

See Accompanying Notes to Financial Statements

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-2

Comparative Balance Sheets  
As of: June 30, 1995

	FILING DATE	7/31/94	8/31/94	9/30/94
LIABILITIES				
POSTPETITION LIABILITIES (OPR-4)	\$0	\$650,373	\$1,141,051	\$1,497,470
PREPETITION LIABILITIES				
Priority Debt	223,302	182,012	182,012	68,035
Secured Debt	5,034,218	5,033,952	5,033,605	4,026,027
Unsecured Debt	5,693,250	5,694,993	5,694,993	5,725,313
TOTAL PRE PETITION LIABILITIES	----- 10,950,770	----- 10,910,957	----- 10,910,610	----- 9,819,375
Accrued Restructuring	1,844,180	1,842,293	1,838,952	1,838,649
Deferred Revenue & Taxes	2,735,700	2,729,262	2,705,941	2,663,591
TOTAL LIABILITIES	----- 15,530,650	----- 16,132,885	----- 16,596,554	----- 15,819,085
SHAREHOLDERS' EQUITY (DEFICIT)				
PREFERRED STOCK	0	0	0	0
COMMON STOCK	260,570	260,570	260,570	260,570
PAID - IN CAPITAL	119,978,714	119,985,005	119,993,131	120,001,257
ACCUMULATED DEFICIT;				
Through Filing Date	(96,336,879)	(96,336,879)	(96,336,879)	(96,336,879)
Post Filing Date - 1994		298,447	(592,669)	(1,507,273)
Post Filing Date - 1995				
TOTAL ACCUMULATED DEFICIT	(96,336,879)	(96,038,432)	(96,929,548)	(97,844,152)
TOTAL SHAREHOLDERS' EQUITY	----- 23,902,405	----- 24,207,143	----- 23,324,153	----- 22,417,675
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	----- \$39,433,055	----- \$40,340,028	----- \$39,920,707	----- \$38,236,760

See Accompanying Notes to Financial Statements.

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-2

Comparative Balance Sheets  
As of: June 30, 1995

	10/31/94	11/30/94	12/31/94
LIABILITIES			
POSTPETITION LIABILITIES (OPR-4)	\$2,082,362	\$2,755,184	\$3,094,624
PREPETITION LIABILITIES			
Priority Debt	68,035	67,035	41,405
Secured Debt	4,025,674	4,025,320	4,024,962
Unsecured Debt	5,727,217	5,724,724	5,698,205
TOTAL PRE PETITION	-----	-----	-----
LIABILITIES	9,820,926	9,817,079	9,764,572
Accrued Restructuring	1,818,204	1,818,204	1,818,204
Deferred Revenue & Taxes	2,709,561	6,200,904	6,222,574
	-----	-----	-----
TOTAL LIABILITIES	16,431,053	20,591,371	20,899,974
SHAREHOLDERS' EQUITY (DEFICIT)			
PREFERRED STOCK	0	0	0
COMMON STOCK	260,570	260,570	260,570
PAID - IN CAPITAL	120,009,383	120,017,509	120,025,635
ACCUMULATED DEFICIT;			
Through Filing Date	(96,336,879)	(96,336,879)	(96,336,879)
Post Filing Date - 1994	(2,820,507)	(9,216,100)	(10,249,197)
Post Filing Date - 1995			
TOTAL ACCUMULATED DEFICIT	(99,157,386)	(105,552,979)	(106,586,076)
	-----	-----	-----
TOTAL SHAREHOLDERS' EQUITY	21,112,567	14,725,100	13,700,129
TOTAL LIABILITIES AND	-----	-----	-----
SHAREHOLDERS' EQUITY	\$37,543,620	\$35,316,471	\$34,600,103

See Accompanying Notes to Financial Statements.

Comparative Balance Sheets  
As of: June 30, 1995

	1/31/95	2/28/95	3/31/95
LIABILITIES			
POST PETITION LIABILITIES (OPR-4)	\$3,486,705	\$3,792,060	\$4,029,423
PRE PETITION LIABILITIES			
Priority Debt	41,405	41,405	37,685
Secured Debt	4,024,601	4,024,238	4,023,871
Unsecured Debt	5,657,221	5,663,260	5,659,724
TOTAL PRE PETITION LIABILITIES	9,723,227	9,728,903	9,721,280

Accrued Restructuring	1,818,204	1,814,597	1,811,938
Deferred Revenue & Taxes	5,915,588	5,522,460	5,150,121
	-----	-----	-----
TOTAL LIABILITIES	20,943,724	20,858,020	20,712,762
SHAREHOLDERS' EQUITY (DEFICIT)			
PREFERRED STOCK	0	0	0
COMMON STOCK	260,570	260,570	260,570
PAID - IN CAPITAL	120,033,760	120,041,887	120,050,013
ACCUMULATED DEFICIT;			
Through Filing Date	(96,336,879)	(96,336,879)	(96,336,879)
Post Filing Date - 1994	(10,249,197)	(10,249,197)	(10,249,197)
Post Filing Date - 1995	(751,854)	(1,166,835)	(1,875,271)
TOTAL ACCUMULATED DEFICIT	(107,337,930)	(107,752,911)	(108,461,347)
	-----	-----	-----
TOTAL SHAREHOLDERS' EQUITY	12,956,400	12,549,546	11,849,236
TOTAL LIABILITIES AND			
SHAREHOLDERS' EQUITY	\$33,900,124	\$33,407,566	\$32,561,998

See Accompanying Notes to Financial Statements.

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Comparative Balance Sheets  
As of: June 30, 1995

	4/30/95	5/31/95	6/30/95
LIABILITIES			
POST PETITION LIABILITIES (OPR-4)	\$4,138,912	\$4,438,839	\$4,952,436
PRE PETITION LIABILITIES			
Priority Debt	36,319	36,319	34,954
Secured Debt	4,023,502	4,023,129	4,022,754
Unsecured Debt	5,644,925	5,644,925	5,650,781
TOTAL PRE PETITION LIABILITIES	9,704,746	9,704,373	9,708,489
Accrued Restructuring	1,810,963	1,810,963	1,806,123
Deferred Revenue & Taxes	4,831,300	4,513,854	4,183,273
TOTAL LIABILITIES	20,485,921	20,468,029	20,650,321
SHAREHOLDERS' EQUITY (DEFICIT)			
PREFERRED STOCK	0	0	0
COMMON STOCK	260,570	260,570	260,570
PAID - IN CAPITAL	120,058,139	120,066,265	120,074,391
ACCUMULATED DEFICIT;			
Through Filing Date	(96,336,879)	(96,336,879)	(96,336,879)
Post Filing Date - 1994	(10,249,197)	(10,249,197)	(10,249,197)
Post Filing Date - 1995	(2,286,161)	(2,748,221)	(2,949,435)



TOTAL ACCUMULATED DEFICIT	(108,872,237)	(109,334,297)	(109,535,511)
TOTAL SHAREHOLDERS' EQUITY	11,446,472	10,992,538	10,799,450
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$31,932,393	\$31,460,567	\$31,449,771

See Accompanying Notes to Financial Statements.

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Case Name: Cambridge Biotech Corporation Form: OPR-3  
Case Number: 94-43054

Summary of Accounts Receivable			
As of: June 30, 1995			
	TOTAL	0 - 30 DAYS	31 - 60 DAYS
	-----	-----	-----
Date of Filing: July 7, 1994	2,813,216.84	2,110,219.71	452,069.57
Allowance for doubtful accts	(159,413.23)		
Net	2,653,803.61	2,110,219.71	452,069.57
Month: July 31, 1994	2,798,472.98	1,289,104.11	1,238,841.68
Allowance for doubtful accts	(153,956.56)		
Net	2,644,516.42	1,289,104.11	1,238,841.68
Month: August 31, 1994	2,426,792.24	1,669,036.84	267,054.03
Allowance for doubtful accts	(156,701.89)		
Net	2,270,090.35	1,669,036.84	267,054.03
Month: Sept. 30, 1994	3,072,351.16	2,402,728.52	365,353.30
Allowance for doubtful accts	(156,701.89)		
Net	2,915,649.27	2,402,728.52	365,353.30
Month: October 31, 1994	2,456,054.54	1,406,348.28	750,784.77
Allowance for doubtful accts	(154,964.89)		
Net	2,301,089.65	1,406,348.28	750,784.77
Month: Nov. 30, 1994	2,020,214.59	1,322,881.77	350,696.71
Allowance for doubtful accts	(154,988.00)		
Net	1,865,226.59	1,322,881.77	350,696.71
Month: Dec. 31, 1994	2,676,067.46	2,057,744.50	389,515.89
Allowance for doubtful accts	(150,200.00)		
Net	2,525,867.46	2,057,744.50	389,515.89
Month: January 31, 1995	2,366,192.41	1,487,741.56	623,509.89
Allowance for doubtful accts	(150,753.71)		
Net	2,215,438.70	1,487,741.56	623,509.89
Month: Feb. 28, 1995	2,489,858.82	1,972,020.47	187,953.54

Allowance for doubtful accts	(151,582.78)			
Net	2,338,276.04	1,972,020.47	187,953.54	
Month: March 31, 1995	2,902,506.56	2,061,722.33	671,660.83	
Allowance for doubtful accts	(148,773.14)			
Net	2,753,733.42	2,061,722.33	671,660.83	
Month: April 30, 1995	2,792,861.76	1,660,592.76	931,787.86	
Allowance for doubtful accts	(155,829.15)			
Net	2,637,032.61	1,660,592.76	931,787.86	
Month: May 31, 1995	2,804,766.36	2,153,951.07	257,035.14	
Allowance for doubtful accts	(159,019.25)			
Net	2,645,747.11	2,153,951.07	257,035.14	
Month: June 30, 1995	3,122,119.25	2,466,775.40	332,562.82	
Allowance for doubtful accts	(166,019.26)			
Net	2,956,099.99	2,466,775.40	332,562.82	

Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054

Form: OPR-3

Summary of Accounts Receivable  
As of: June 30, 1995

	TOTAL	61 - 90 DAYS	OVER 90 DAYS
	-----	-----	-----
Date of Filing: July 7, 1994	2,813,216.84	56,398.93	194,528.63
Allowance for doubtful accts	(159,413.23)		(159,413.23)
Net	2,653,803.61	56,398.93	35,115.40
Month: July 31, 1994	2,798,472.98	128,524.10	142,003.09
Allowance for doubtful accts	(153,956.56)	(11,953.47)	(142,003.09)
Net	2,644,516.42	116,570.63	0.00
Month: August 31, 1994	2,426,792.24	297,637.99	193,063.38
Allowance for doubtful accts	(156,701.89)		(156,701.89)
Net	2,270,090.35	297,637.99	36,361.49
Month: Sept. 30, 1994	3,072,351.16	77,168.82	227,100.52
Allowance for doubtful accts	(156,701.89)		(156,701.89)
Net	2,915,649.27	77,168.82	70,398.63
Month: October 31, 1994	2,456,054.54	87,405.93	211,515.56
Allowance for doubtful accts	(154,964.89)		(154,964.89)
Net	2,301,089.65	87,405.93	56,550.67
Month: Nov. 30, 1994	2,020,214.59	188,381.49	158,254.62
Allowance for doubtful accts	(154,988.00)		(154,988.00)
Net	1,865,226.59	188,381.49	3,266.62

Month:	Dec. 31, 1994	2,676,067.46	65,733.45	163,073.62
Allowance for doubtful accts		(150,200.00)		(150,200.00)
Net		2,525,867.46	65,733.45	12,873.62
Month:	January 31, 1995	2,366,192.41	92,582.75	162,358.21
Allowance for doubtful accts		(150,753.71)		(150,753.71)
Net		2,215,438.70	92,582.75	11,604.50
Month:	Feb. 28, 1995	2,489,858.82	176,471.97	153,412.84
Allowance for doubtful accts		(151,582.78)		(151,582.78)
Net		2,338,276.04	176,471.97	1,830.06
Month:	March 31, 1995	2,902,506.56	45,696.46	123,426.94
Allowance for doubtful accts		(148,773.14)	(25,346.20)	(123,426.94)
Net		2,753,733.42	20,350.26	0.00
Month:	April 30, 1995	2,792,861.76	103,220.04	97,261.10
Allowance for doubtful accts		(155,829.15)	(58,568.05)	(97,261.10)
Net		2,637,032.61	44,651.99	0.00
Month:	May 31, 1995	2,804,766.36	313,259.39	80,520.76
Allowance for doubtful accts		(159,019.25)	(78,498.49)	(80,520.76)
Net		2,645,747.11	234,760.90	0.00
Month:	June 30, 1995	3,122,119.25	52,189.56	270,591.47
Allowance for doubtful accts		(166,019.26)		(166,019.26)
Net		2,956,099.99	52,189.56	104,572.21

Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054

Form OPR-4

Schedule of Post Petition Liabilities  
As of: June 30, 1995

	DATE INCURRED	DATE DUE	TOTAL DUE	0-30 DAYS	31-60 DAYS
TAXES PAYABLE					
Federal Income Taxes W/H			0		
FICA-Employer's Share			0		
FICA-Employee's Share W/H			0		
Unemployment Tax			0		
State Income Tax Withheld			0		
State Sales & Use Tax	Various	Various	4,672	4,672	
State Franchise Tax	Various	Various	1,192	1,000	192
Real Estate and Personal Property Tax	Various	Various	18,730	6,330	6,200
			-----	-----	-----
TOTAL TAXES PAYABLE			24,594	12,002	6,392

POST PETITION SECURED DEBT			0	0	
POST PETITION UNSECURED DEBT			0	0	
ACCRUED INTEREST PAYABLE	Various	Various	371,149	32,932	39,466
TRADE ACCOUNTS PAYABLE & OTHER					
Accounts Payable	Various	Various	498,504	451,084	1,337
Accrued Expenses	Various	Various	2,610,639	787,639	384,000
Accrued Stock Incentive Plan	7/8/94	Emerge from Ch. 11	1,447,550	1,447,550	
TOTAL ACCOUNTS PAYABLE & OTHER			----- 4,556,693	----- 2,686,273	----- 385,337
TOTAL POST PETITION LIABILITIES			----- \$4,952,436 =====	----- \$2,731,207 =====	----- \$431,195 =====

Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054

Form OPR-4

Schedule of Post Petition Liabilities  
As of: June 30, 1995

	DATE INCURRED	DATE DUE	TOTAL DUE	61-90 DAYS	OVER 90 DAYS
TAXES PAYABLE					
Federal Income Taxes W/H			0		
FICA-Employer's Share			0		
FICA-Employee's Share W/H			0		
Unemployment Tax			0		
State Income Tax Withheld			0		
State Sales & Use Tax	Various	Various	4,672		
State Franchise Tax	Various	Various	1,192		
Real Estate and Personal Property Tax	Various	Various	18,730	6,200	
TOTAL TAXES PAYABLE			----- 24,594	----- 6,200	
POST PETITION SECURED DEBT			0	0	
POST PETITION UNSECURED DEBT			0	0	

ACCRUED INTEREST PAYABLE	Various	Various	371,149	32,932	265,819
TRADE ACCOUNTS PAYABLE & OTHER					
Accounts Payable	Various	Various	498,504	1,337	44,746
Accrued Expenses	Various	Various	2,610,639	384,000	1,055,000
Accrued Stock Incentive Plan	7/8/94	Emerge from Ch. 11	1,447,550		
TOTAL ACCOUNTS PAYABLE & OTHER			----- 4,556,693	----- 385,337	----- 1,099,746
TOTAL POST PETITION LIABILITIES			----- \$4,952,436 =====	----- \$424,469 =====	----- \$1,365,565 =====

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-5  
Income Statement  
Period: July 8, 1994 - June 30, 1995

	7/8-31/94	August	September
NET REVENUE (INCOME)	\$1,990,463	\$1,297,330	\$2,120,689
COST OF GOODS SOLD			
Materials			
Labor - Direct			
Manufacturing Overhead			
TOTAL COST OF GOODS SOLD	677,628	872,453	1,424,705
	-----	-----	-----
GROSS PROFIT	1,312,835	424,877	695,984
OPERATING EXPENSES			
Selling and Marketing	86,253	117,890	129,345
General and Administrative	330,964	404,625	548,839
Research and Development	223,590	359,735	288,595
Other: Regulatory	18,336	22,767	18,815
Other: Misc. (Income)/Expense	(13,655)	(8,694)	(45,076)
TOTAL OPERATING EXPENSES	645,488	896,323	940,518
INCOME BEFORE INTEREST, DEPRECIATION, TAXES OR EXTRAORDINARY EXPENSES	----- 667,347	----- (471,446)	----- (244,534)
CHAPTER 11 EXPENSES	(97,310)	(113,110)	(112,501)

INTEREST EXPENSE	(27,145)	(38,638)	(31,839)
DEPRECIATION	(244,445)	(267,922)	(275,730)
INCOME TAX EXPENSE	0	0	0
EXTRAORDINARY INCOME (EXPENSE)	0	0	(250,000)
	-----	-----	-----
NET INCOME (LOSS)	\$298,447	(\$891,116)	(\$914,604)

See Accompanying Notes to Financial Statements.

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-5  
Income Statement  
Period: July 8, 1994 - June 30, 1995

	October	November	December
NET REVENUE (INCOME)	\$1,089,394	\$1,073,137	\$1,938,051
COST OF GOODS SOLD			
Materials			
Labor - Direct			
Manufacturing Overhead			
TOTAL COST OF GOODS SOLD	781,526	637,644	1,478,841
	-----	-----	-----
GROSS PROFIT	307,868	435,493	459,210
OPERATING EXPENSES			
Selling and Marketing	130,164	137,154	145,399
General and Administrative	503,279	497,797	445,169
Research and Development	526,086	376,756	505,667
Other: Regulatory	41,259	26,668	28,464
Other: Misc. (Income)/Expense	1,583	(28,619)	(56,255)
TOTAL OPERATING EXPENSES	1,202,371	1,009,756	1,068,444
INCOME BEFORE INTEREST, DEPRECIATION, TAXES OR EXTRAORDINARY EXPENSES	----- (894,503)	----- (574,263)	----- (609,234)
CHAPTER 11 EXPENSES	(130,808)	(105,473)	(35,380)
INTEREST EXPENSE	(25,880)	(34,149)	(32,395)
DEPRECIATION	(262,043)	(261,816)	(245,061)
INCOME TAX EXPENSE	0	0	0
EXTRAORDINARY INCOME (EXPENSE)	0	(5,419,892)	(111,027)

NET INCOME (LOSS)	\$ (1,313,234)	\$ (6,395,593)	\$ (1,033,097)
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See Accompanying Notes to Financial Statements.

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-5  
Income Statement  
Period: July 8, 1994 - June 30, 1995

	January 1995	February	March
NET REVENUE (INCOME)	\$1,396,377	\$1,881,536	\$2,179,703
COST OF GOODS SOLD			
Materials			
Labor - Direct			
Manufacturing Overhead			
TOTAL COST OF GOODS SOLD	823,876	987,069	1,062,214
GROSS PROFIT	572,501	894,467	1,117,489
OPERATING EXPENSES			
Selling and Marketing	120,148	116,908	168,859
General and Administrative	433,681	451,508	633,552
Research and Development	404,257	395,094	687,899
Other: Regulatory	33,717	31,186	31,888
Other: Misc.			
(Income)/Expense	(52,814)	(44,031)	(42,176)
TOTAL OPERATING EXPENSES	938,989	950,665	1,480,022
INCOME BEFORE INTEREST, DEPRECIATION, TAXES OR EXTRAORDINARY EXPENSES	(366,488)	(56,198)	(362,533)
CHAPTER 11 EXPENSES	(106,000)	(96,420)	(78,629)
INTEREST EXPENSE	(32,384)	(31,021)	(33,980)
DEPRECIATION	(246,982)	(235,458)	(233,294)
INCOME TAX EXPENSE	0	4,116	0
EXTRAORDINARY INCOME (EXPENSE)	0	0	0
NET INCOME (LOSS)	(\$751,854)	(\$414,981)	(\$708,436)

See Accompanying Notes to Financial Statements.

Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-5  
Income Statement  
Period: July 8, 1994 - June 30, 1995

	April	May	June	FILING TO DATE
NET REVENUE (INCOME)	\$1,642,292	\$2,188,446	\$2,338,425	\$21,135,843
COST OF GOODS SOLD				
Materials				
Labor - Direct				
Manufacturing Overhead				
TOTAL COST OF GOODS SOLD	794,369	1,154,352	1,162,791	11,857,468
	-----	-----	-----	-----
GROSS PROFIT	847,923	1,034,094	1,175,634	9,278,375
OPERATING EXPENSES				
Selling and Marketing	139,342	152,110	161,741	1,605,313
General and Administrative	395,543	572,129	415,455	5,632,541
Research and Development	392,539	408,496	452,840	5,021,554
Other: Regulatory	17,577	29,652	37,873	338,202
Other: Misc.				
(Income)/Expense	(48,350)	(47,253)	(74,391)	(459,731)
TOTAL OPERATING EXPENSES	896,651	1,115,134	993,518	12,137,879
INCOME BEFORE INTEREST, DEPRECIATION, TAXES OR EXTRAORDINARY EXPENSES	----- (48,728)	----- (81,040)	----- 182,116	----- (2,859,504)
CHAPTER 11 EXPENSES	(99,270)	(113,541)	(123,086)	(1,211,528)
INTEREST EXPENSE	(32,995)	(39,526)	(32,996)	(392,948)
DEPRECIATION	(229,897)	(227,953)	(227,248)	(2,957,849)
INCOME TAX EXPENSE	0	0	0	4,116
EXTRAORDINARY INCOME (EXPENSE)	0	0	0	(5,780,919)
	-----	-----	-----	-----
NET INCOME (LOSS)	(\$410,890)	(\$462,060)	\$ (201,214)	(\$13,198,632)

See Accompanying Notes to Financial Statements.

Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054



Form OPR-6  
Statement of Sources and Uses of Cash  
Period of: July 8, 1994 - June 30, 1995

	July 8- July 31	August	September
SOURCES OF CASH			
Income (Loss) From Operations	\$298,447	(\$891,116)	(\$914,604)
Add: Depreciation, Amortization & Other Non-Cash Items	301,164	322,366	542,532
CASH GENERATED FROM OPERATIONS	599,611	(568,750)	(372,072)
Add: Decrease in Assets:			
Accounts Receivable	9,288	374,426	
Other Receivables		48,564	
Inventory	43,400	139,763	598,344
Prepaid Expenses & Deposits		33,235	
Property, Plant & Equipment			
Patents & Purchased Technology			18,612
Intercompany Receivables	76,315		13,056
Short Term Investments			1,233,746
Proceeds on sale of foreign subsidiary			
Proceeds on sale of minority interest			
Proceeds on note receivable			
Other non-current assets	123		
Increase in Liabilities:			
Pre-Petition Liabilities	1,742		52,055
Post-Petition Liabilities	650,372	490,679	356,419
Deferred Revenue			
TOTAL SOURCES OF CASH (A)	1,380,851	517,917	1,900,160
USES OF CASH			
Increase in Assets:			
Accounts Receivable			565,559
Other Receivables	29,508		61,767
Intercompany Receivables		107,393	
Inventory			
Prepaid Expenses & Deposits	217,794		193,023
Patents & Purchased Technology			
Property, Plant & Equipment	2,325	3,197	37,492
Other non-current assets		2,378	17,329
Short Term Investments	1,603,000	310,000	
Decrease in Liabilities:			
Pre-Petition Liabilities	41,290		135,711
Post-Petition Liabilities			
Accrued Restructuring	1,886	3,341	304
Secured Debt and Capital Leases	266	347	1,007,578

TOTAL USES OF CASH (B)	1,896,069	426,656	2,018,763
	-----	-----	-----
NET SOURCE (USE) OF CASH (A-B=NET)	(515,218)	91,261	(118,603)
CASH - BEGINNING BALANCE (See OPR-1)	1,287,187	771,969	863,230
	-----	-----	-----
CASH - ENDING BALANCE (See OPR-1)	\$771,969	\$863,230	\$744,627

See Accompanying Notes to Financial Statements

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-6  
Statement of Sources and Uses of Cash  
Period of: July 8, 1994 - June 30, 1995

	October	November	December
SOURCES OF CASH			
Income (Loss) From Operations	(\$1,313,234)	(\$6,395,593)	(\$1,033,097)
Add: Depreciation, Amortization & Other Non-Cash Items	695,379	5,591,211	273,411
CASH GENERATED FROM OPERATIONS	(617,855)	(804,382)	(759,686)
Add: Decrease in Assets:			
Accounts Receivable	539,309	435,863	
Other Receivables		47,594	
Inventory			537,345
Prepaid Expenses & Deposits	74,073		212,966
Property, Plant & Equipment	80,647	3,090	
Patents & Purchased Technology		18,612	
Intercompany Receivables	703		
Short Term Investments			
Proceeds on sale of foreign subsidiary		1,982,685	
Proceeds on sale of minority interest			308,571
Proceeds on note receivable			120,000
Other non-current assets		38,056	
Increase in Liabilities:			
Pre-Petition Liabilities	1,904	230,000	
Post-Petition Liabilities	168,807	557,512	243,428
Deferred Revenue	88,212	3,528,549	152,057
TOTAL SOURCES OF CASH (A)	335,800	6,037,579	814,681
USES OF CASH			
Increase in Assets:			
Accounts Receivable			660,641
Other Receivables	31,479		27,235
Intercompany Receivables		28,561	

Inventory	154,467	168,891	
Prepaid Expenses & Deposits		205,424	
Patents & Purchased Technology	1,756		93,988
Property, Plant & Equipment			6,513
Other non-current assets	7,638		32,959
Short Term Investments	743,182	3,773,500	1,878,285
Decrease in Liabilities:			
Pre-Petition Liabilities		3,492	52,149
Post-Petition Liabilities			
Accrued Restructuring	20,445		
Secured Debt and Capital Leases	352	355	358
TOTAL USES OF CASH (B)	959,319	4,180,223	2,752,128
	-----	-----	-----
NET SOURCE (USE) OF CASH (A-B=NET)	(623,519)	1,857,356	(1,937,447)
CASH - BEGINNING BALANCE (See OPR-1)	744,627	121,108	1,978,464
	-----	-----	-----
CASH - ENDING BALANCE (See OPR-1)	\$121,108	\$1,978,464	\$41,017

See Accompanying Notes to Financial Statements

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Case Name: Cambridge Biotech Corporation  
Case Number: 94-43054  
Form OPR-6  
Statement of Sources and Uses of Cash  
Period of: July 8, 1994 - June 30, 1995

	January	February	March
SOURCES OF CASH			
Income (Loss) From			
Operations	(\$751,854)	(\$414,981)	(\$708,436)
Add: Depreciation, Amortization & Other			
Non-Cash Items	109,573	25,731	99,891
CASH GENERATED FROM OPERATIONS	(642,281)	(389,250)	(608,545)
Add: Decrease in Assets:			
Accounts Receivable	310,429		
Other Receivables	14,602	17,407	
Inventory		157,065	
Prepaid Expenses & Deposits			
Property, Plant & Equipment			
Patents & Purchased Technology			
Intercompany Receivables			
Short Term Investments	225,000	12,091	1,680,000
Proceeds on sale of			

foreign subsidiary			
Proceeds on sale of			
minority interest			
Proceeds on note receivable			
Other non-current assets			
Increase in Liabilities:			
Pre-Petition Liabilities		1,923	
Post-Petition			
Liabilities	290,907	194,519	67,032
Deferred Revenue			
TOTAL SOURCES OF CASH (A)	198,657	(6,245)	1,138,487
USES OF CASH			
Increase in Assets:			
Accounts Receivable		122,838	415,457
Other Receivables			988
Intercompany Receivables			
Inventory	101,062		56,506
Prepaid Expenses &			
Deposits	20,763	74,783	267,061
Patents & Purchased			
Technology		6,500	17,442
Property, Plant &			
Equipment	6,035	11,790	100,880
Other non-current assets			
Short Term Investments			
Decrease in Liabilities:			
Pre-Petition Liabilities	40,984		7,256
Post-Petition Liabilities			
Accrued Restructuring		3,607	2,659
Secured Debt and			
Capital Lease	361	363	367
TOTAL USES OF CASH (B)	169,205	219,881	868,616
NET SOURCE (USE) OF CASH			
(A-B=NET)	29,452	(226,126)	269,871
CASH-BEGINNING BALANCE			
(See OPR-1)	41,017	70,469	(155,657)
CASH-ENDING BALANCE	-----	-----	-----
(See OPR-1)	\$70,469	(\$155,657)	\$114,214

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Case Name: Cambridge Biotech Corporation

Case Number: 94-43054

Form OPR-6

Statement of Sources and Uses of Cash

Period of: July 8, 1994 - June 30, 1995

	April	May	June	7/8/94 to 6/30/95
<b>SOURCES OF CASH</b>				
Income (Loss) From Operations	(\$410,890)	(\$462,060)	(\$201,214)	(\$13,198,632)
Add: Depreciation, Amortization & Other Non-Cash Items	171,744	166,848	79,043	8,378,893
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(239,146)</b>	<b>(295,212)</b>	<b>(122,171)</b>	<b>(4,819,739)</b>
Add: Decrease in Assets:				
Accounts Receivable	116,700			1,786,015
Other Receivables		1,797	7,819	137,783
Inventory		132,723	17,228	1,625,868
Prepaid Expenses & Deposits			26,897	347,171
Property, Plant & Equipment	630			84,367
Patents & Purchased Technology				37,224
Intercompany Receivables				90,074
Short Term Investments	317,117	110,759	74,850	3,653,563
Proceeds on sale of foreign subsidiary				1,982,685
Proceeds on sale of minority interest				308,571
Proceeds on note receivable				120,000
Other non-current assets				38,179
Increase in Liabilities:				
Pre-Petition Liabilities			4,491	292,115
Post-Petition Liabilities		112,840	402,106	3,534,621
Deferred Revenue				3,768,818
<b>TOTAL SOURCES OF CASH (A)</b>	<b>195,301</b>	<b>62,907</b>	<b>411,220</b>	<b>12,987,315</b>
<b>USES OF CASH</b>				
Increase in Assets:				
Accounts Receivable		8,714	310,353	2,083,562
Other Receivables	3,090			154,067
Intercompany Receivables				135,954
Inventory	87,322			568,248
Prepaid Expenses & Deposits	30,676	32,257		1,041,781
Patents & Purchased Technology	14,994	18,615	97,846	251,141
Property, Plant & Equipment		18,737	17,629	204,598
Other non-current assets				60,304
Short Term Investments				8,307,967
Decrease in Liabilities:				

Pre-Petition Liabilities	16,165			297,047
Post-Petition Liabilities	82,235			82,235
Accrued Restructuring	975		4,840	38,057
Secured Debt and Capital Lease	369	373	375	1,011,464
TOTAL USES OF CASH (B)	235,826	78,696	431,043	14,236,425
NET SOURCE (USE) OF CASH (A-B=NET)	----- (40,525)	----- (15,789)	----- (19,823)	----- (1,249,110)
CASH-BEGINNING BALANCE (See OPR-1)	114,214	73,689	57,900	1,287,187
CASH-ENDING BALANCE (See OPR-1)	----- \$73,689 =====	----- \$57,900 =====	----- \$38,077 =====	----- \$38,077 =====

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NOTES TO FINANCIAL STATEMENTS

1. The accompanying financial statements of Cambridge Biotech Corporation (the Company) are for U.S. Operations only.
2. The Balance Sheet as of July 7, 1994, the date of the Company's Chapter 11 filing, was restated in December 1994 to reflect the Company's assets, liabilities, and shareholders' equity after additional adjustments for subsequent information. The assets increased by \$233,432, liabilities increased by \$197,371, and shareholders' equity increased by \$36,061. The accumulated losses increased by \$383.
3. The financial statements presented are unaudited and reflect management's best judgment. Certain items which could have an impact on the Company's financial statements are:
  - a. The Company's monthly inventory valuations and the amount of reserves reflect management's best judgement. However, the Company's auditors have not yet completed the December 31st, 1994 year end audit, which when complete, may result in adjustments to the year end inventory.
  - b. The Company has an investment in GRF Co. of \$2,084,547 which represents a 19% interest in GRF Co. and is accounted for by the cost method. Since the Company's Chapter 11 filing, GRF Co. has ceased providing information to the Company. Recently GRF Co. has agreed to respond to the Company's requests and has sent some information. Additional information has been requested. If the information requested indicates a loss in the

value of the investment, the Company would revise the carrying value of the investment.

c. The Company's investment in its Irish subsidiary, Cambridge Biotech Limited (CBL), was adjusted prior to the Company's Chapter 11 filing to its net tangible asset value. On November 30, 1994, the Company sold CBL to SelfCare, Inc. The Company originally reported in its November financial statements a loss on the disposition of CBL of \$5,134,290. Subsequent to the issuance of the November report, the loss amount was increased in December to \$5,475,317 as a result of the inclusion of royalty obligations by the Company for products sold by CBL utilizing certain licensed technology. Calculation of the loss on this transaction was based upon unaudited financial statements which included estimates of the operating results of CBL through November 30, 1994. If the estimated amounts or the effective date of the transaction changes as a result of either the Company's or CBL's audits, the reported loss on the transaction could also change.

d. In November 1994, the Company received \$3.5 million as a payment of a license fee originally due in January 1995 which was recorded as deferred revenue. Although the Company's past practice with respect to this license agreement was to recognize the entire annual payment as revenue when due, management feels it is appropriate to recognize the revenue ratably over 1995 at \$291,667 per month.

4. The Company entered into an agreement with BASF Bioresearch Corporation for them to manufacture three batches of QS-21 product. The agreement calls for an initial payment of \$175,000 plus milestone payments totaling an additional \$525,000. Included in the March results is the initial payment of \$175,000. The balance of \$525,000 is being held in escrow and is included in Prepaid Expenses and Deposits in the accompanying balance sheet (Form OPR-1).
5. In September 1992, the Company purchased a 15% interest in ImmuCell Corporation for \$600,000, and had advanced \$120,000 to ImmuCell between June 1993 and April 1994. As a result of negotiations with ImmuCell in September 1994, the carrying value of the Company's investment was reduced by \$250,000 to reflect an estimate of the net realizable value. In November 1994, the carrying value of the investment was further reduced to \$308,571, which the Company received in December 1994 from ImmuCell to purchase all of the shares owned by the Company. The \$120,000 advance was paid in full in December 1994.

6. On October 27, 1994, the Company's plan to institute a retention bonus plan for some of its employees was approved by the United States Bankruptcy Court for the District of Massachusetts. The plan called for bonuses to be paid in stock of the reorganized Company upon emergence from Chapter 11 reorganization. As of June 30, 1995, the Company has recorded a compensation expense of \$1,447,550, which is a non-cash expense.
7. On July 7, 1994, the date of the Company's Chapter 11 filing, it had a \$1,007,228 note payable to Fleet Credit Corporation (Fleet) secured by \$1,025,553 of certificates of deposit pledged to Fleet. The certificates of deposit matured and were used to liquidate the debt in accordance with relief from stay granted by the Court. Included in the Company's short-term investment balances for July 7, July 31, and August 31 were \$1,025,553 of CD's pledged to Fleet Credit Corporation.
8. On March 9, 1995, an Adversary Proceeding No. 95-4074 was commenced in the United States Bankruptcy Court, District of Massachusetts, Western Division, by Institut Pasteur and Genetic Systems Corporation alleging patent infringement and asking for damages and injunctive relief. The Company has filed an answer and counterclaim denying the plaintiffs' allegations and alleging a breach by Institut Pasteur of its license agreement with the Company.