FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

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FILER

ADVANCED BIOTHERAPY INC

CIK:**791833**| IRS No.: **510402415** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **000-26323** | Film No.: **04971160**
SIC: **8731** Commercial physical & biological research

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

FORM 10-QSB

(Mark One)

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the period ended June 30, 2004

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 0-26323

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

Delaware	51-0402415
(State of jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

6355 Topanga Canyon Boulevard
Suite 510
Woodland Hills, California 91367
(Address of principal executive offices, including zip code)

(818) 883-6716
(Registrant's telephone number, including area code)

Indicate by 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.
[X] YES [ ] NO

As of August 6, 2004, the Registrant had 53,979,853 shares of common stock, $0.001 par value, outstanding.

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ADVANCED BIOTHERAPY, INC.
(A Development Stage Enterprise)

REVIEWED FINANCIAL STATEMENTS

June 30, 2004

WILLIAMS & WEBSTER, P.S.
Certified Public Accountants
Bank of America Financial Center
W 601 Riverside, Suite 1940
Spokane, WA 99201
(509) 838-5111

The Board of Directors
Advanced Biotherapy, Inc.
Woodland Hills, CA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying balance sheet of Advanced Biotherapy, Inc. (a development stage company and a Delaware corporation) as of June 30, 2004, and the related statements of operations, stockholders' equity (deficit), and cash flows for the three months ended June 30, 2004 and 2003 and for the period from December 2, 1985 (inception) to June 30, 2004. All information included in these financial statements is the representation of the management of Advanced Biotherapy, Inc.

We conducted our review in accordance with standards established by the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with auditing standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements for the year ended December 31, 2003 were audited by us and we expressed an unqualified opinion on them in our report dated March 3, 2004. We have not performed any auditing procedures since that date.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has generated little revenue in the past years, and has suffered recurring losses from operations resulting in an accumulated deficit of $10,124,282 at June 30, 2004. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding this issue are also discussed in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Williams & Webster, P.S.
Certified Public Accountants
Spokane, Washington
August 4, 2004

PART I

ITEM 1. FINANCIAL STATEMENTS

ADVANCED BIOTHERAPY, INC.

(A DEVELOPMENT STAGE ENTERPRISE)
BALANCE SHEETS

<TABLE>
<CAPTION>

	JUNE 30, 2004 (UNAUDITED)	DECEMBER 31, 2003
ASSETS		
CURRENT ASSETS		
Cash	$ 114,469	$ 44,591
Marketable securities	1,075,000	2,000,000
Notes receivable - related party	--	46,619
Interest receivable - related party	--	12,030
Deposits and prepaid expenses	18,239	54,967
Total Current Assets	1,207,708	2,158,207
PROPERTY, PLANT AND EQUIPMENT, NET	317,598	249,156
OTHER ASSETS		
Notes receivable - related party	46,619	--
Interest receivable - related party	13,545	--
Deferred loan origination fees, net of accumulated amortization	35,837	71,022
Patents and patents pending, net of accumulated amortization	764,989	611,924
Total Other Assets	860,990	682,946
TOTAL ASSETS	$ 2,386,296	$ 3,090,309
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 260,486	$ 148,727
Accounts payable - related party	--	6,713
Accrued expenses - related party	--	94,500
Loan payable - related party	2,347	4,992
Current portion of convertible notes payable	18,951	2,429,710
Total Current Liabilities	281,784	2,684,642
LONG-TERM DEBT		
Convertible notes payable, net of current portion	4,671,600	4,421,276
Note payable to related parties	127,631	127,631
Total Long-Term Debt	4,799,231	4,548,907
Total Liabilities	5,081,015	7,233,549
COMMITMENTS AND CONTINGENCIES	--	--
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, par value $0.001; 20,000,000 shares authorized, no shares issued and outstanding	--	--
Common stock, par value $0.001; 200,000,000 shares authorized, 53,979,849 and 43,088,365 shares issued and outstanding, respectively	53,979	43,087
Additional paid-in capital	6,509,668	3,908,058
Stock options and warrants	865,916	607,016
Deficit accumulated during development stage	(10,124,282)	(8,701,401)
Total Stockholders' Equity (Deficit)	(2,694,719)	(4,143,240)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 2,386,296	$ 3,090,309

</TABLE>

See accompanying notes and accountant's review report.

ADVANCED BIOTHERAPY, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

THREE MONTHS ENDED JUNE 30,	SIX MONTHS ENDED JUNE 30,	FROM INCEPTION (DECEMBER 2, 1985)

					THROUGH
	2004 (UNAUDITED)	2003 (UNAUDITED)	2004 (UNAUDITED)	2003 (UNAUDITED)	JUNE 30, 2004 (UNAUDITED)
REVENUES	$ --	$ --	$ --	$ --	$ 89,947
OPERATING EXPENSES					
Research and development	136,160	127,809	318,135	237,740	3,398,245
Promotional fees	4,864	3,209	5,457	3,449	40,093
Professional fees	38,619	30,752	108,176	87,127	2,348,544
Vesting of stock options and warrants	--	--	172,200	--	508,809
Directors' fees	--	--	--	--	161,380
Depreciation and amortization	21,848	24,747	67,837	48,460	730,054
Administrative salaries and benefits	67,928	83,683	147,672	137,516	1,510,870
Insurance	20,110	18,132	40,220	36,263	231,316
Shareholder relations and transfer fees	17,622	5,375	20,745	10,883	264,586
Rent	26,688	14,320	52,165	40,691	291,582
Travel and entertainment	13,034	13,951	28,481	21,115	278,790
Telephone and communications	2,843	1,007	6,365	2,111	51,996
Office	1,988	1,453	3,342	4,886	68,398
General and administrative	13,908	8,825	21,762	21,117	704,557
Total Operating Expenses	365,612	333,263	992,557	651,358	10,589,220
LOSS FROM OPERATIONS	(365,612)	(333,263)	(992,557)	(651,358)	(10,499,273)
OTHER INCOME (EXPENSES)					
Miscellaneous income	--	--	--	--	22,000
Interest and dividend income	5,791	9,332	11,710	21,980	159,275
Internal gain on sale of securities	--	--	--	--	157,520
Forgiveness of debt	--	--	--	--	2,047,437
Forgiveness of payables	--	--	--	--	45,396
Loss on disposal of office equipment	--	--	--	--	(2,224)
Interest expense	(126,309)	(152,588)	(442,034)	(305,510)	(2,054,413)
Total Other Income (Expenses)	(120,518)	(143,256)	(430,324)	(283,530)	374,991
LOSS BEFORE INCOME TAXES	(486,130)	(476,519)	(1,422,881)	(934,888)	(10,124,282)
INCOME TAXES	--	--	--	--	--
NET LOSS	$ (486,130)	$ (476,519)	(1,422,881)	$ (934,888)	$(10,124,282)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (0.01)	$ (0.01)	(0.03)	$ (0.02)	
WEIGHTED AVERAGE NUMBER OF BASIC AND DILUTED COMMON STOCK SHARES OUTSTANDING	53,790,991	42,224,004	48,538,366	42,681,415	

</TABLE>

See accompanying notes and accountant's review report.

ADVANCED BIOTHERAPY, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

<TABLE>
<CAPTION>

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	STOCK OPTIONS AND WARRANTS	DURING DEVELOPMENT STAGE	DEFICIT ACCUMULATED TOTAL
	SHARES	AMOUNT				
Balance, December 31, 2002	43,601,317	$ 43,600	$ 3,937,923	$ 580,027	$ (6,592,961)	$ (2,031,411)
Contribution of capital by shareholders in form of foregone interest	--	--	4,230	--	--	4,230
Common stock issued in exchange for convertible debt at $0.25 per share	788,991	789	196,460	--	--	197,249
Stock issued for cash at an average price of $0.01 per share from the exercise of options	150,000	150	1,350	--	--	1,500

Stock returned in settlement of notes and accrued interest receivable	(1,603,789)	(1,604)	(238,964)	--	--	(240,568)
Stock options issued in exchange for services	--	--	--	34,200	--	34,200
Stock issued for cashless exercise of warrants at $0.05 per share	151,846	152	7,059	(7,211)	--	--
Net loss for the year ended December 31, 2003	--	--	--	--	(2,108,440)	(2,108,440)
Balance, December 31, 2003	43,088,365	43,087	3,908,058	607,016	(8,701,401)	(4,143,240)
Contribution of capital by shareholders in form of foregone interest	--	--	2,234	--	--	2,234
Common stock issued in exchange for convertible debt at $0.24 per share	10,843,567	10,844	2,591,624	--	--	2,602,468
Stock options issued in exchange for services	--	--	--	94,500	--	94,500
Stock options and warrants issued in exchange for services, one third vested	--	--	--	172,200	--	172,200
Stock issued for cashless exercise of warrants at $0.16 per share	47,917	48	7,752	(7,800)	--	--
Net loss for the period ended June 30, 2004	--	--	--	--	(1,422,881)	(1,422,881)
Balance, June 30, 2004 (unaudited)	53,979,849	$ 53,979	$ 6,509,668	$ 865,916	$(10,124,282)	$ (2,694,719)

</TABLE>

Summary of required information regarding stock issuances can be found in Note 8.

See accompanying notes and accountant's review report.

ADVANCED BIOTHERAPY, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

<S>	SIX MONTHS ENDED JUNE 30, 2004 (UNAUDITED) <C>	2003 (UNAUDITED) <C>	FROM INCEPTION (DECEMBER 2, 1985) THROUGH JUNE 30, 2004 (UNAUDITED) <C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)	$ (1,422,881)	$(934,888.00)	$(10,124,282)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation and amortization	67,837	48,460	672,166
Loss on disposal of equipment	--	--	2,224
Investment income	--	--	(157,520)
Expenses paid through issuance of common stock	--	--	231,340
Expenses paid through issuance of common stock warrants and options	172,200	34,200	575,689
Accrued interest paid by convertible debt	442,033	302,958	1,664,304
Expenses paid through contribution of additional paid-in capital	2,234	2,064	58,045
Organization costs	--	--	(9,220)
Decrease (increase) in assets:			
Marketable securities	925,000	750,000	(1,075,000)
Deposits and prepaid expenses	36,728	26,573	(18,239)
Interest receivable	(1,515)	(3,474)	(54,113)
Deferred loan origination cost	35,185	--	(122,110)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	111,759	33,520	338,027
Accounts and notes payable, related parties	(6,713)	7,461	149,582
Payroll and payroll taxes payable	--	--	8,878
Accrued interest	--	--	--

Net cash provided by (used) in operating activities	361,867	266,874	(7,860,229)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	(74,289)	(178,178)	(377,538)
Acquisition of patents	(215,055)	(99,333)	(987,274)
Net cash used in investing activities	(289,344)	(277,511)	(1,364,812)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	--	1,500	2,457,254
Internal gain on sale of securities	--	--	157,520
Proceeds from convertible notes	--	--	6,514,000
Proceeds from notes payable	--	--	388,508
Payments on notes payable	(2,645)	--	(177,772)
Net cash provided by (used) in financing activities	(2,645)	1,500	9,339,510
Net increase in cash	69,878	(9,137)	114,469
CASH, BEGINNING	44,591	31,081	--
CASH, ENDING	$ 114,469	$ 21,944	$ 114,469
SUPPLEMENTAL CASH FLOW DISCLOSURES:			
Interest expense paid	$ --	$ --	$ 339,927
Income taxes paid	$ --	$ --	$ --
NON-CASH FINANCING AND INVESTING ACTIVITIES:			
Common stock issued in exchange for professional fees and expenses	$ --	$ --	$ 340,869
Contributed expenses	$ 2,234	$ 2,064	$ 58,045
Common stock issued for a loan payable	$ --	$ --	$ 213,381
Common stock issued for notes receivable	$ --	$ --	$ 246,619
Common stock returned in payment of notes and interest receivable	$ --	$ 240,568	$ 240,568
Warrants and options issued for services and accrued expenses	$ 266,700	$ 34,200	$ 670,189
Common stock issued on cashless exercise of warrants	$ 7,800	$ --	$ 15,011
Accrued interest paid by convertible debt	$ 442,033	$ 302,958	$ 1,664,304
Common stock issued for convertible debt	$ 2,160,435	$ 19,119	$ 2,867,591

</TABLE>

See accompanying notes and accountant's review report.

ADVANCED BIOTHERAPY, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Advanced Biotherapy, Inc. was originally incorporated December 2, 1985 under the laws of the State of Nevada as Advanced Biotherapy Concepts, Inc. On July 14, 2000, the Company incorporated a wholly owned subsidiary, Advanced Biotherapy, Inc. in the State of Delaware. On September 1, 2000, the Company merged with its wholly owned subsidiary, effectively changing its name to Advanced Biotherapy, Inc. (hereinafter "the Company") and its domicile to Delaware.

The Company is involved in the research and development of the treatment of autoimmune diseases in humans, most notably, multiple sclerosis and rheumatoid arthritis. The Company conducts its research in Maryland. The Company's fiscal year-end is December 31. The Company is a development stage enterprise.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Advanced Biotherapy, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Development Stage Activities

The Company has been in the development stage since its formation in 1985 and has not realized any significant revenues from its planned operations. It is primarily engaged in the research and development of the treatment of autoimmune diseases in humans, most notably, multiple sclerosis and rheumatoid arthritis.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

For the six month period ended June 30, 2004, the Company incurred a net loss of $1,422,881 and had an accumulated deficit during the development stage of $10,124,282. The Company anticipates that its minimum cash requirements for operations for the next twelve months will be less than $2,500,000. The Company does not have a source of revenues to continue its operations or research and development costs beyond its cash and marketable securities on hand. In order to meet the foregoing cash requirements, the Company will have to raise funds through the issuance for cash of common or preferred stock, convertible debt or loans. There is no assurance, however, that the Company will be able to raise sufficient capital to meet its cash requirements for the next 12 months, in which case the Company would undertake to adjust its operations including research and development costs. Management's objective also is to establish a collaborative relationship with either a pharmaceutical or biotechnology company that would result in the generation of licensing, milestone and royalty payments to the Company. The future of the Company is dependent upon these plans, and if successful the future cash requirements may be met. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Accounting Method

The Company's financial statements are prepared using the accrual method of accounting.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In May 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" (hereinafter "SFAS No. 150"). SFAS No. 150 establishes standards for classifying and measuring certain financial instruments with characteristics of both liabilities and equity and requires that those instruments be classified as liabilities in statements of financial position. Previously, many of those instruments were classified as equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003 and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company's adoption of this statement did not have an impact on the financial statements of the Company.

In April 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" (hereinafter "SFAS No. 149"). SFAS No. 149 amends and clarifies the accounting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of SFAS No. 149 did not have an impact on the financial statements of the Company.

Accounting for Long-Lived Assets

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). This standard establishes a single accounting model for long-lived assets to be disposed of by sale, including discontinued operations. SFAS No. 144 requires that these long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. The Company does not believe any adjustments are needed to the carrying value of its assets at March 31, 2004.

Accounting for Stock Options and Warrants Granted to Employees and Non-Employees

Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), defines a fair value-based method of accounting for stock options and other equity instruments. The Company has adopted this method, which measures compensation costs based on the estimated fair value of the award and recognizes that cost over the service period.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all bank accounts, certificates of deposit, money market accounts and short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled

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transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to SFAS No. 109 "Accounting for Income Taxes." Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the "more likely than not" standard imposed by SFAS No. 109 to allow recognition of such an asset.

Reclassifications

Certain amounts from prior periods have been reclassified to conform with the current period presentation. These reclassifications have resulted in no changes to the Company's accumulated deficit or net losses presented.

Promotional Fees

Promotional fees are charged to operations in the year incurred. Promotional fees amounted to $5,457 and $3,449 for the six month periods ended June 30, 2004 and 2003, respectively.

Research and Development Costs

Costs of research and development are expensed as incurred.

Compensated Absences

Employees of the Company are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. No liability has been recorded in the accompanying financial statements, because of the relative immateriality of this obligation.

Revenue Recognition

Upon entering into license agreements with other companies, revenue will be recognized when fees are earned. Prior to 1994, revenues were recognized when fees for services related to research activities were received.

Fair Value of Financial Instruments

The carrying amounts for cash, investments, deposits and prepaid expenses, receivables, accounts payable, accrued liabilities, notes payable and convertible debt approximate their fair value.

Deferred Loan Origination Fees

During the year ended December 31, 2000, the Company entered into convertible subordinated debt, which required the payment of loan origination fees. See Note

12. These loan origination fees were amortized over the life of the related debt. During the six month period ended June 30, 2004, the Company recorded amortization expense in the amount of $19,368, which represented the balance of the deferred fees, as the related convertible subordinated debt was fully converted to stock during the period.

During the year ended December 31, 2002, the Company entered into convertible subordinated debt, which required the payment of loan origination fees. See Note 12. These loan origination fees, which totaled $35,837, net of accumulated amortization at June 30, 2004, are amortized over the life of the related debt.

During the six month period ended June 30, 2004, the Company recorded amortization expense in the amount of $15,818 related to these fees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Internal Gain On Sale of Securities

During the year ending December 31, 2000, officers of the Company sold stock at a gain shortly after purchasing stock through a stock bonus plan. In compliance with the Securities and Exchange Rule 16b, the stockholders remitted the gain to the Company. The gain amounted to $157,520 and is reflected in the statement of operations as internal gain on sale of securities.

Derivative Instruments

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB No. 133", SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities", and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", which is effective for the Company as of January 1, 2001. These statements establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

Historically, the Company has not entered into derivatives contracts to hedge existing risks or for speculative purposes.

At June 30, 2004 and 2003, the Company had not engaged in any transactions that would be considered derivative instruments or hedging activities.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares outstanding during the period. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding.

Diluted earnings (loss) per share is computed by dividing the net income (loss) adjusted for interest expense on convertible debt by the weighted average number of basic shares outstanding increased by the number of shares that would be outstanding assuming the conversion of the exercisable stock options (3,624,620 shares), warrants (5,057,560 shares), and convertible debt (18,308,555 shares).

Utilizing the treasury stock method as of March 31, 2004, these possible dilutive issuances would have resulted in 23,005,820 common stock equivalents being considered for additional dilution. In this case, diluted net loss per share is the same as basic net loss per share as inclusion of the common stock equivalents would be antidilutive.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interim Financial Statements

The interim financial statements as of and for the quarter ended June 30, 2004, included herein, have been prepared without audit. These statements reflect all adjustments, which are, in the opinion of management, necessary to present fairly the results of operations for these periods. All such adjustments are normal recurring adjustments. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full fiscal year.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets of three to five years. During the year ended December 31, 2003, the Company wrote off a total of $33,723 of fully depreciated assets as they had been abandoned.

The following is a summary of property, equipment and accumulated depreciation at June 30, 2004 and December 31, 2003:

	June 30, 2004	December 31, 2004
	Cost	Cost
Lab equipment	$ 28,566	$ 28,566
Office equipment	18,298	16,909
Furniture and fixtures	21,748	10,082
Filing room under construction	268,958	207,725
	337,570	263,282
Less accumulated depreciation	19,972	14,126
Property, plant and equipment, net	317,598	249,156

Depreciation expense for the six months ended June 30, 2004 and 2003 was $2,758 and $1,490, respectively.

NOTE 4 - INVESTMENTS

Marketable Securities

The Company's investments in equity securities that are intended to be held for a short period are classified as trading securities. These securities are recorded at fair value as current assets on the balance sheet under the caption of marketable securities. The change in fair value of those securities is included in earnings during the period presented. In the six month period ended June 30, 2004, there was no change in the fair market value of the securities held, however, the Company sold a portion of its securities during the year. The Company's marketable securities investment consists of auction rate preferred stock money market alternatives that roll every seven days at the then existing market interest rate. This investment is not insured, and therefore, a total of $1,075,000 was at risk on June 30, 2004. During the six month period ended June 30, 2004, a total of $925,000 was redeemed and transferred to cash with no gain or loss being recognized.

NOTE 5 - INTANGIBLE ASSETS

Patents and Patents Pending

Costs relating to the development and approval of patents, other than research and development costs which are expensed, are capitalized and amortized using the straight-line method over seventeen years. The Company's patents relate to the treatment of autoimmune diseases.

The following is a summary of the costs of patents and patents pending:

	Cost	Accumulated Amortization	Net Amount
Balance, December 31, 2002	$ 488,102	$(122,389)	$ 365,713
2003 Activity	284,117	(37,906)	246,211
Balance, December 31, 2003	772,219	(160,295)	611,924
2004 Activity	179,870	(26,805)	153,065
Balance, June 30, 2004	$ 952,089	$(187,100)	$ 764,989

NOTE 6 - RELATED PARTY TRANSACTIONS

Transactions in 2004

The Company has notes receivable in the aggregate amount of $46,619 from non-officer/director shareholders of the Company in connection with a payment plan for the purchase of Company stock. The notes accrue interest at a rate of 6.5% per annum and mature on December 31, 2007.

The note payable to related parties consists of a loan payable to one of the Company's directors. The note has no specific due date, is currently uncollateralized. The holder of the note has agreed not to demand payment for a minimum of at least one year. This note is non-interest bearing, however, interest is calculated at the applicable federal rate each quarter. The calculated interest of $2,234 was recorded during the six month period ending June 30, 2004 as interest expense and contributed capital in the accompanying financial statements because the note holder elected to forgive this interest.

Transactions in 2003

On February 7, 2003, the board of directors unanimously approved the repurchase and cancellation of 1,603,789 shares of common stock from an officer and two directors to the Company in satisfaction of outstanding notes receivable and accrued interest totaling $240,568. The notes were due and payable on December 31, 2002 and could not be extended under provisions of federal legislation known as the Sarbanes-Oxley Act. These shares had been previously issued to the officer and directors under the Stock Bonus Plan on January 11, 2000.

The Company purchased laboratory equipment for $7,767 from a firm, which has as a shareholder, one of the directors of Advanced Biotherapy, Inc. The Company agreed to make monthly payments of $486 for a total of 18 months on the invoice for this equipment. The balance due at June 30, 2004 is $2,347.

The board of directors adopted a policy that restricts the sale of shares of the Company's common stock by directors for a period of one year terminating on August 31, 2004, unless prior to that date the Company's common stock achieves a market price of $1.50 for fourteen consecutive trading days. See Note 12 and 13 for other related party transactions.

NOTE 6 - RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions in 1999

At December 31, 1999, the Company owed three employee/shareholders a total of $1,692,947 for expenses paid in previous years along with unpaid salaries. During 2000, these payables were decreased partially due to a bonus stock purchase by the employee/shareholders. At December 31, 1999, in accordance with an agreement with other employee/shareholders of the Company, they received options to purchase 842,953 shares of common stock at $0.10 per share. The value of these options, in the amount of $210,738, was used to reduce these payables. See Note 10. In 1999, the three employee/shareholders forgave the balance of these payables in the amount of $1,482,209. This is recorded in the financial statements as forgiveness of debt.

NOTE 7 - CONCENTRATIONS

Bank Accounts and Investments

The Company maintains cash in a money market account at a bank in California. The funds on deposit are not insured by the FDIC and, therefore, a total of $112,469 and $44591 is at risk on June 30, 2004 and December 31, 2003.

The Company's marketable securities investment consists of auction rate preferred money market alternatives. This investment is not insured, and therefore, a total of $1,075,000 is at risk as of June 30, 2004. See Note 4.

NOTE 8 - COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

Information regarding the number of shares issued and consideration received is as follows:

<TABLE>
<CAPTION>

	Common Stock			
	Average price per share	Shares	Amount	Additional Paid-in Capital
<S>	<C>	<C>	<C>	<C>
Common stock issued for cash:				
1985	$ .50	100,000	$ 100	$ 49,900
1986	1.00	639,500	640	678,861
1987	1.00	850,500	850	759,650
1988	1.00	25,000	25	24,975
1993	.25	2,402,000	2,402	475,900
1995	.05	1,000,000	1,000	49,000
1996	.05	520,000	520	25,480
1997	.09	1,800,500	1,801	153,749
1998	.10	305,000	305	30,195
1999	.05	3,158,000	3,158	151,993
		10,800,500	10,801	2,399,703

</TABLE>

NOTE 8 - COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL (CONTINUED)

<TABLE>
<CAPTION>

	Common Stock			
	Average price per share	Shares	Amount	Additional Paid-in Capital
<S>	<C>	<C>	<C>	<C>
Common stock issued for patents assigned:				
1984	$ .01	550,000	$ 5,500	$ -
1985, adjustment to reflect change in number and par value of shares outstanding	-	2,750,000	(2,200)	2,200
		3,300,000	3,300	2,200
Common stock issued for acquisitions:				
1985	.01	13,333,500	13,334	(41,112)
Common stock issued for note receivable:				
1986	1.00	10,000	10	9,990
2000	.05	4,932,380	4,932	241,687
		4,942,380	4,942	251,677

Common stock returned in payment of notes receivable:				
2003	.16	(1,603,789)	(1,604)	(238,964)
Contribution of additional paid-in capital:				
1991	-	-	-	35,825
1999	-	-	-	28,098
2000	-	-	-	9,735
2001	-	-	-	8,113
2002	-	-	-	5,635
2003	-	-	-	4,230
2004	-	-	-	2,234
		-	-	93,870
Stock subscriptions:				
1999	.05	650,000	650	31,850
Cancellation of escrowed shares in 1999	.001	(850,000)	(850)	850
Reissued escrowed shares cancelled in error:				
2001	.001	850,000	850	(850)
		-	-	-

</TABLE>

NOTE 8 - COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL (CONTINUED)

<TABLE>
<CAPTION>

	Common Stock			
	Average price per share	Shares	Amount	Additional Paid-in Capital
<S>	<C>	<C>	<C>	<C>
Common stock issued for services (1):				
1988	$ .50	25,000	$ 25	$ 12,475
1989	.38	25,000	25	9,475
1990	.66	37,375	37	24,635
1991	.51	159,500	160	81,010
1992	.75	62,500	62	46,563
1993	.25	120,000	120	29,880
1996	.05	308,500	308	13,832
1997	.05	155,500	155	7,619
1999	.05	99,190	99	4,860
		992,565	991	230,349
Common stock issued to replace unrecorded certificates:				
1988	.001	1,200	1	(1)
1992	.001	500	1	(1)
2000	.001	100,000	100	(100)
		101,700	102	(102)
Common stock issued for forgiveness of accounts payable (1):				
1990	.50	25,000	25	12,475
1996	.05	150,000	150	7,350
		175,000	175	19,825
Common stock issued in payment of notes payable (1):				
1993	.25	200,000	200	49,800
2000	.05	1,714,995	1,715	84,035
		1,914,995	1,915	133,835

Common stock issued in payment of loans payable (1):				
2000	.05	2,552,625	2,553	125,078
Common stock issued for commissions (1):				
1993	.001	1,260,000	1,260	--

</TABLE>

NOTE 8 - COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL (CONTINUED)

<TABLE>
<CAPTION>

	Common Stock			
	Average price per share	Shares	Amount	Additional Paid-in Capital
<S>	<C>	<C>	<C>	<C>
Common stock issued for convertible debt:				
2001	$ .25	1,605,346	$ 1,605	$ 399,504
2002	.25	1,147,706	1,147	285,781
2003	.25	788,991	789	196,460
2004	.24	10,843,567	10,844	2,591,624
		14,385,610	14,385	3,473.369
\				
Stock warrants exercised:				
2003 (cashless exercise)	.05	151,846	152	7,059
2004 (cashless exercise)	.16	47,917	48	7,752
		199,763	200	14,811
Stock options exercised:				
1997	.01	325,000	325	2,929
2000	.01	350,000	350	3,150
2002	.04	150,000	150	5,850
2003	.01	150,000	150	1,350
		975,000	975	13,279
Total		53,979,849	$ 53,979	$ 6,509,668

</TABLE>

(1) Per share amounts determined by information deemed most reliable based on circumstances of each case: trading price at time of issuance or value of services received.

Effective with the merger in September 2000 of Advanced Biotherapy Concepts, Inc. into its wholly owned subsidiary, each issued and outstanding share of Advanced Biotherapy Concepts, Inc. common stock was converted automatically into one share of $0.001 par value common stock of Advanced Biotherapy, Inc. Effective December 26, 2002, the Company amended its articles of incorporation to increase the maximum amount of its authorized common stock to 200,000,000 shares.

Stock Bonus Plan

In January 2000, the Company approved a stock bonus plan the purpose of which is to retain personnel of experience and ability in the employ of the Company and to compensate them for their contributions to the growth of the Company, thereby inducing them to continue to make such contributions in the future. During January 2000, the Company issued 9,200,000 shares of common stock under this plan to certain key officers and directors subject to various restrictions. Such stock bonuses were issued at the weighted average price at which the Company had been selling shares of stock out of authorized but yet unissued common stock to third parties during the six months immediately preceding the issuance of the bonus shares, or $0.05 per share. On February 7, 2003, the board of directors unanimously approved the repurchase and cancellation of 1,603,789 of these shares of common stock at the fair market value of $0.16 per share in satisfaction of outstanding notes receivable and accrued interest. At June 30, 2004, a total of 2,403,789 shares are available under this plan.

NOTE 9 - PREFERRED STOCK

The Company has authorized 20,000,000 shares of $0.001 par value preferred stock. As of June 30, 2004, the Company has not issued any preferred stock.

NOTE 10 - STOCK OPTIONS AND ISSUANCE COMMITMENTS

Omnibus Equity Incentive Plan

In 2000, the board of directors approved an Omnibus Equity Incentive Plan, which was later approved by the stockholders in December 2001. The purpose of the plan is to promote the long-term success of the Company and the creation of stockholder value by encouraging employees, outside directors and consultants to focus on the achievement of critical long-range objectives. The plan endeavors to attract and maintain such individuals with exceptional qualifications and to link them directly to stockholder interests through increased stock ownership. The plan seeks to achieve this purpose by providing for awards in the form of restricted shares, stock units, options (which may constitute incentive stock options or non-statutory stock options) and stock appreciation rights (SAR's). The aggregate number of options, SARs, stock units and restricted shares awarded under the plan were initially 4,000,000 common shares plus an annual increase of the lesser of two and one-half percent of the total number of common shares then outstanding or 250,000 common shares. At June 30, 2004, there are 10,000 shares available under this plan.

During January 2004, the Company issued stock options to its board of directors to purchase a total of 270,000 shares of the Company's stock at $0.42 per share for services rendered during the year ended December 31, 2003. The options are exercisable immediately and have a term of ten years. In accordance with Statement of Financial Accounting Standard No. 123, the fair value of the options was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the stock options: strike price at $0.42, risk free interest rate of 5%, expected life of ten years, and expected volatility of 82% with no dividends expected to be paid. The Company recorded a total of $94,500 ($0.35 per option) of expense for the value of these options based upon these Black Scholes assumptions.

On February 7, 2003, the disinterested members of the board of directors approved the issuance of 4,100,000 stock options to certain key employees, directors and consultants. These seven-year options have an exercise price of $0.16 per share and vest over a period of three years, with the first one-third of such options vesting in 2004, the next one-third in 2005 and the remaining one-third vesting in 2006. In accordance with Statement of Financial Accounting Standard No. 123, the fair value of the options of $0.123 per option was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the stock options: strike price at $0.16, risk free interest rate of 5%, expected life of seven years, and expected volatility of 82% with no dividends expected to be paid. The Company will record an expense for the value of these options based upon these Black Scholes assumptions. During the period ended June 30, 2004, an expense in the amount of $168,100 was recognized, representing the first vesting milestone.

NOTE 10 - STOCK OPTIONS AND ISSUANCE COMMITMENTS (CONTINUED)

During January 2003, the Company issued stock options to purchase 180,000 shares of the Company's stock at $0.21 per share to its board of directors for services rendered during the year ended December 31, 2002. The options are exercisable immediately and expire on December 31, 2012. In accordance with Statement of Financial Accounting Standard No. 123, the fair value of the options was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the stock options: strike price at $0.21, risk free interest rate of 5%, expected life of ten years, and expected volatility of 98% with no dividends expected to be paid. The Company recorded a total of $34,200 ($0.19 per option) of expense for the value of these options based upon these Black Scholes assumptions.

During the year ended December 31, 2002, the Company issued stock options to purchase a total of 110,000 shares of the Company's stock at $0.25 per share for services. The options are exercisable immediately and expire between July 28, 2007 and April 15, 2011. The options have piggyback registration rights to be effective in the Company's next SEC registration statement. In accordance with Statement of Financial Accounting Standard No. 123, the fair value of the options was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the stock options: strike price at $0.25, risk free interest rate of 5%, expected lives of five to nine years, and expected volatility of 98% with no dividends expected to be paid. The Company recorded a total expense of $30,800 (an average of $0.28 per option) as professional fees for the value of the options based upon these Black Scholes assumptions.

During January 2002, the Company issued stock options to purchase 80,000 shares of the Company's stock at $0.25 per share to its board of directors for services rendered during the year ended December 31, 2001. The options are exercisable immediately and expire on December 31, 2011. In accordance with Statement of Financial Accounting Standard No. 123, the fair value of the options was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the stock options: strike price at $0.25, risk free interest rate of 5%, expected life of ten years, and expected volatility of 38% with no dividends expected to be paid. The Company recorded a total of $17,200 ($0.215 per option) of expense for the value of these options based upon these Black Scholes assumptions.

During November 2001, the Company issued stock options to purchase 250,000 shares of the Company's stock at $0.25 per share to a consultant. The options are exercisable immediately and expire on November 15, 2011. The options have piggyback registration rights to be effective in the next SEC registration statement. In accordance with Statement of Financial Accounting Standard No. 123, the fair value of the options was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the stock options: strike price at $0.25, risk free interest rate of 5%, expected life of ten years, and expected volatility of 38% with no dividends expected to be paid. At November 15, 2001, the Company recorded $75,000 ($0.30 per option) of expense to professional fees for the value of these options based upon these Black Scholes assumptions.

Options Issued Outside an Incentive Plan

On December 31, 1999, three officers of the Company received options to purchase 842,953 shares of common stock in partial payment of accrued salaries in the amount of $210,738. In addition, the same three officers forgave the balance of their accrued salaries and interest in the amount of $1,482,209. See Note 6. In accordance with Statement of Financial Accounting Standard No. 123, the fair value of the options was estimated using the Black Scholes Option Price Calculation.

The following assumptions were made to value the stock options: strike price at $0.10, risk free interest rate of 5%, expected life of five years, and expected volatility of 30% with no dividends expected to be paid. At December 31, 1999, the Company recorded $210,738 ($0.25 per option) to reduce accrued wages for the value of these options based upon these Black Scholes assumptions. These stock options are exercisable immediately, and expire on December 31, 2005. See Note 6.

Options were issued effective February 1, 1993, for a total of 250,000 shares at a price of $0.01 per share, with an exercise period of February 1, 1993 to February 1, 2003. During 2002, options to purchase 100,000 shares of common stock were exercised and the remaining option to purchase 150,000 shares of common stock was exercised during January 2003. During 1995, options for 50,000 shares were granted at $0.20 per share, which expire in 2005. During 1996, options for 525,000 shares were granted at $0.10 per share, which expire in 2006. During 2002, options for 50,000 shares of common stock were exercised. The shares purchased under the Company's option grants will be restricted and, therefore, may not be transferred without registration under applicable federal and state securities laws.

The following is a summary of the Company's equity compensation plans:

<TABLE>
<CAPTION>

	Number of securities to	Weighted-average	Number of securities remaining available for

Plan	be issued upon exercise of outstanding options	exercise price of outstanding options	future issuance under equity compensation plans
Equity compensation plan approved by security holders (1)	4,990,000	$0.18	10,000
Equity compensation plan not approved by security holders (2)	--	--	2,403,789
Total	4,990,000		2,413,789

</TABLE>

(1) Omnibus Equity Incentive Plan.

(2) Stock Bonus Plan. See Note 8.

NOTE 10 - STOCK OPTIONS AND ISSUANCE COMMITMENTS (CONTINUED)

Following is a summary of the status of the options during the six months ended June 30, 2004 and year ended December 31, 2003:

	Number of Shares	Weighted Average Exercise Price
Outstanding at January 1, 2003	1,957,953	$ 0.13
Granted	4,280,000	0.16
Exercised	(150,000)	0.01
Forfeited	--	--
Outstanding at December 31, 2003	6,087,953	0.16
Granted	270,000	0.42
Exercised	--	--
Forfeited	--	--
Options outstanding at June 30, 2004	6,357,953	$ 0.17
Options exercisable at June 30, 2004	3,624,620	$ 0.17
Weighted average fair value of options granted in 2004		$ 0.35

Summarized information about stock options outstanding and exercisable at June 30, 2004 is as follows:

Exercise Price Range	Outstanding Options: Number of Shares	Weighted Average Remaining Life	Weighted Average Exercise Price
$0.01 - $0.42	6,357,953	5.08	$ 0.17

Exercise Price Range	Exercisable Options: Number of Shares	Weighted Average Remaining Life	Weighted Average Exercise Price
$0.01 - $0.42	3,624,620	4.67	$ 0.17

NOTE 11 - NON-CASH COMMITMENT AND WARRANTS

During February 2003, the Company issued warrants to purchase a total of 100,000 shares of common stock to two outside consultants. These warrants have an exercise price of $0.16 per share, expire in seven years, and vest over a period of three years, with the first one-third of such warrants vesting in 2004, the next one-third in 2005 and the remaining one-third vesting in 2006. In accordance with Statement of Financial Accounting Standard No. 123, the fair value of $0.123 per warrant was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the stock warrants: strike price at $0.16, risk free interest rate of 5%, expected life of seven years, and expected volatility of 82% with no dividends expected to be paid. The Company will record an expense for the value of these options based upon these Black Scholes assumptions. During the period ended June 30, 2004, an expense in the amount of $4,100 was recognized, representing the first vesting milestone.

NOTE 11 - NON-CASH COMMITMENT AND WARRANTS (CONTINUED)

During the year ended December 31, 2002, the Company issued warrants to two advisors to purchase 239,400 shares of common stock in connection with the sale of subordinated convertible pay-in-kind notes. The warrants are exercisable for ten years and have an exercise price of $0.25 per share. In accordance with Statement of Financial Accounting Standards No. 123, the fair value of the warrants was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the warrants: strike price at $0.25, risk free interest rate of 5%, expected life of ten years, and expected volatility of 98% with no dividends expected to be paid. During the year ended December 31, 2002, the Company recorded $54,344 ($0.23 per warrant) as professional fees for the aforementioned services. A cashless exercise may be used for these warrant transactions.

During the year ended December 31, 2001, the Company issued to four directors of the Company warrants to purchase up to 100,000 shares of common stock with an exercise price of $0.25 per share. The warrants expire between May 2005 and April 2006. In accordance with Statement of Financial Accounting Standards No. 123, the fair value of the warrants was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the warrants: strike price at $0.25, risk free interest rate of 5%, expected life of five years, and expected volatility of 38% with no dividends expected to be paid. During the year ended December 31, 2001, the Company recorded $23,280 ($0.23 per warrant) as directors' fees for these warrants. During the six month period ended June 30, 2004, a warrant to purchase 100,000 shares of common stock was exercised using the cashless feature, resulting in the issuance of 47,917 shares of common stock.

On January 19, 2000, the Company engaged an investment banking firm and, as partial compensation for its services, issued warrants to purchase up to 4,685,135 shares of the Company's common stock with an exercise price of $0.15 per share. The warrants are exercisable for ten years. In accordance with Statement of Financial Accounting Standards No. 123, the fair value of the warrants was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the warrants: strike price at $0.15, risk free interest rate of 6.2%, expected life of 10 years, and expected volatility of 30% with no dividends expected to be paid. During the year ended December 31, 2000, the Company recorded $168,665 ($0.04 per warrant) as consulting fees for the aforementioned investment banking firm services. A cashless exercise may be used for all warrant transactions. No fees are payable to the investment advisor in connection with the exercise of the warrants, which contain full, unconditional piggy-back registration rights without any holdback obligations. During the year ended December 31, 2003, a warrant to purchase 200,308 shares of common stock was exercised using the cashless feature, resulting in the issuance of 151,846 shares of common stock.

Summarized information about stock warrants outstanding and exercisable at June 30, 2004 is as follows:

	Number of warrants	Weighted Average Remaining Life	Average exercise price
Outstanding	5,124,227	5.43	$0.16
Exercisable	5,057,560	5.42	$0.16

NOTE 12 - CONVERTIBLE DEBT

2000 Convertible Notes

During the year ended December 31, 2000, the Company sold in a private placement to accredited investors $1,510,500 of convertible subordinated debt due and payable September 30, 2004. The debt bears interest at the rate of 10% per annum and is payable semi-annually in cash or through the issuance of additional convertible subordinated debt. The unpaid accrued interest of $432,992 as of June 30, 2004 has been converted to additional convertible debt.

This debt is convertible into shares of Company common stock at a conversion price equal to $0.25 per share, subject to certain anti-dilution provisions. The Company offered the convertible subordinated debt pursuant to Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D, promulgated under the Securities Act. In connection with the placement of the debt, the Company paid a loan origination fee of $113,288 to its financial advisor, in addition to the granting of an option to the financial advisor to purchase an equivalent principal amount of convertible subordinated debt at the face amount thereof over a period of ten years. The aforementioned fee is currently being amortized over the term of the debt. Amortization for the six month period ended June 30, 2004 was $19,368.

During the year ended December 31, 2001, a total of $355,000 original debt and $46,109 of accrued interest and previously converted interest was converted into 1,605,346 shares of common stock at $0.25 per share. During the year ended December 31, 2002, a total of $245,000 original debt and $41,928 of accrued interest and previously converted interest was converted into 1,147,706 shares of common stock at $0.25 per share. During the year ended December 31, 2003, a total of $152,500 original debt and $35,393 of accrued interest and previously converted interest was converted into 751,574 shares of common stock at $0.25 per share. During the six month period ended June 30, 2004, the remaining 2000 original debt in the amount of $773,000 and $374,480 of accrued interest and previously converted interest was converted into 4,781,156 shares of common stock at $0.24.

2002 Convertible Notes due September 30, 2004

During the year ended December 31, 2002, the Company sold in a private placement to accredited investors 2002 Subordinated Convertible Pay-in-kind Notes due September 30, 2004 ("2002-2004 convertible notes") in the principal amount of $1,148,500 in cash. A Company director personally guaranteed a total of $500,000 worth of this debt offering. The 2002-2004 convertible notes bear interest at the rate of 11% per annum payable semi-annually in cash or through the issuance of additional 2002-2004 convertible notes. The unpaid accrued interest of $223,109 as of June 30, 2004 has been converted to additional convertible debt.

This debt is convertible into shares of Company common stock at a conversion price equal to $0.25 per share, subject to certain anti-dilution provisions. The Company offered the convertible subordinated debt pursuant to Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D, promulgated under the Securities Act. In connection with the placement of the debt, the Company paid a loan origination fee of $25,795 to an advisor, together with a warrant to acquire 147,400 shares of common stock at $0.25 per share. Amortization of the loan origination fee for the six month period ended June 30, 2004 was $6,300.

NOTE 12 - CONVERTIBLE DEBT (CONTINUED)

During the year ended December 31, 2003, a total of $8,000 original debt and $1,354 of accrued interest and previously converted interest was converted into 37,416 shares of common stock at $0.25 per share. During the six month period ended June 30, 2004, 2002-2004 notes totaling $1,125,500 original debt and $329,492 of accrued interest and previously converted interest were converted into 6,062,411 shares of common stock at $0.24.

The balance due on these notes have been reclassified to current liabilities as they are payable on September 30, 2004, unless converted to stock earlier. See

Note 15 for subsequent conversions to common stock.

2002 Convertible Notes due June 1, 2006

During the year ended December 31, 2002, the Company sold in a private placement to accredited investors 2002 Subordinated Convertible Pay-in-kind Notes due June 1, 2006 ("2002-2006 convertible notes") in the principal amount of $3,055,000 in cash. The interest rate of the 2002-2006 convertible notes is 11% per annum for $2,555,000 of the debt, and 12.5% per annum for $500,000 of the debt. Interest is payable semi-annually in cash or through the issuance of additional 2002-2006 convertible notes. The unpaid accrued interest to date of $748,662 has been converted to additional convertible debt.

This debt is convertible into shares of Company common stock at a conversion price equal to $0.25 per share, subject to certain anti-dilution provisions. The Company offered the convertible subordinated debt pursuant to Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D, promulgated under the Securities Act. In connection with the placement of the debt, the Company paid a related party a loan origination fee of $60,000, and an unrelated party a loan origination fee of $16,100. Amortization of these loan origination fees for the six month period ended June 30, 2004 was $9,518.

At June 30, 2004, the remaining 2002-2006 notes, including converted accrued interest, could be converted into a total of 15,214,647 shares of common stock.

2002 Convertible Notes

The proceeds from the two aforementioned placements of 2002 convertible notes were used to satisfy outstanding payables and to pay operating costs, scientific development costs and patent application legal costs, and to pursue certain collaborative relationships with other biotechnology and/or pharmaceutical companies.

2003 Convertible Notes due September 30, 2007

During the year ended December 31, 2003, the Company sold in a private placement to accredited investors 2003 Subordinated Convertible Pay-in-kind Notes due September 30, 2007 ("2003-2007 convertible notes") in the principal amount of $800,000 in cash. The interest rate of the 2003-2007 convertible notes is 12% per annum, payable semi-annually in cash or through the issuance of additional 2003-2007 convertible notes. The unpaid accrued interest to date of $67,938 has been converted to additional convertible debt.

This debt is convertible into shares of Company common stock at a conversion price equal to $0.25 per share, subject to certain anti-dilution provisions. The Company offered the convertible subordinated debt pursuant to Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D, promulgated under the Securities Act.

NOTE 12 - CONVERTIBLE DEBT (CONTINUED)

At June 30, 2004, the remaining 2003-2007 notes, including converted accrued interest, could be converted into a total of 3,471,752 shares of common stock.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Occupancy Agreements

The company has entered into a verbal agreement to pay approximately $5,000 a month to a firm owned by the Company's chief executive officer and chief financial officer for tax preparation services, monthly accounting, and reimbursement of rent and employee benefits.

The Company also entered into a verbal agreement for research and development laboratory space with a firm, which has as a shareholder, one of the directors of Advanced Biotherapy, Inc. This agreement calls for a monthly rent of $7,000 in addition to reimbursement of research and development services at a monthly cost of approximately $18,000.

Contracts

During June 2002, the Company entered into a cooperative agreement with the Department of Energy's ("DOE") Pacific Northwest National Laboratory ("PNNL") for research and development. According to this agreement, the Company will be responsible for up to 50% of the costs associated with the research and development, principally represented by non-cash in-kind contributions of approximately $480,000 over a period of two years. In return, DOE has granted the Company a non-exclusive, non-transferable, royalty-free, field-of-use license to any inventions PNNL derives under the agreement. The Company also has a first option to negotiate for greater rights, such as exclusive, transferable, domestic and foreign marketing and development rights. If the Company obtains the right to sublicense, the sublicenses must be royalty-bearing, and, subject to negotiation, the Company will pay a reasonable royalty to PNNL, which will share prospective royalties with a Russian research facility, upon commercialization, if any, of the resulting research.

During March 2003, the Company entered into an agreement for the design, construction and validation in accordance with FDA standards and other regulatory requirements of a new pilot formulation and filling room to be located in Columbia, Maryland, within the facilities currently leased from New Horizons Diagnostics, Inc., a company principally owned by a director of the Company. As of June 30, 2004, the costs associated with the construction are $268,958.

During the six months ended June 30, 2004, the Company signed a business development contract with a consultant for a one year period, automatically renewable for an additional year. According to the contract terms, if the business development efforts by the consultant are successful under terms acceptable to the Company, the Company would pay a cash fee and issue varying amounts of warrants to purchase Company common stock.

NOTE 14 - INCOME TAXES

The following is a reconciliation of income tax, computed at the federal statutory rate, to the provision for taxes:

<TABLE>
<CAPTION>

	June 30, 2004		June 30, 2003	
	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Federal tax (benefit)	$(485,000)	(34) %	$ (318,000)	(34)%
State tax (benefit)	(141,000)	(8) %	(75,000)	(8) %
Valuation allowance	599,000	42 %	393,000	42 %
	$ --	--	$ --	--

</TABLE>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the deferred tax assets at June 30, 2004 and December 31, 2003 are as follows:

	June 30, 2004	December 31, 2003
Deferred tax asset:		
Net operating loss carryforwards	$ 3,235,000	$ 2,636,000
General business credit carryforwards	73,000	73,000
Excess book accumulated amortization	29,000	29,000
Deferred tax asset	3,337,000	2,738,000
Deferred tax liabilities:		
Excess tax accumulated depreciation	2,000	2,000
Total deferred tax asset	3,335,000	2,736,000
Valuation allowance for deferred asset	(3,335,000)	(2,736,000)
Net deferred tax asset	$ --	$ --

At June 30, 2004, the Company has federal net operating loss carryforwards of approximately $8,000,000, which expire in the years 2004 through 2024, state net operating loss carryforwards of approximately $6,200,000, which expire in the years 2010 through 2014, and general business credit carryforwards of approximately $73,000, which expire in the years 2012 through 2023. A total of approximately $259,000 federal net operating losses will expire on December 31, 2004.

The change in the allowance account from June 30, 2004 and December 31, 2003 was $599,000, which is principally due to the Company's net operating loss carryforward.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This Quarterly Report and other documents we file with the Securities and Exchange Commission ("SEC") contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our business, our beliefs and our management's assumptions. All statements other than statements of historical facts are forward-looking statements, including any statements of the plans and objectives of management for future operations, any statements concerning proposed new product candidates and prospects for regulatory approval, any projections of revenue earnings or other financial items, any statements regarding future economic conditions or performance, and any statement of assumptions underlying any of the foregoing. Some of these forward-looking statements may be identified by the use of words in the statements such as "anticipate," "estimate," "could" "expect," "project," "intend," "plan," "believe," "seek," "should," "may," "assume," "continue," variations of such words and similar expressions. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict. We caution you that our performance and results could differ materially from what is expressed, implied, or forecast by our forward-looking statements due to general financial, economic, regulatory and political conditions affecting the biotechnology and pharmaceutical industries as well as more specific risks and uncertainties. The Company operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. Future operating results and the Company's stock price may be affected by a number of factors, including, without limitation: (i) availability of capital for research and development; (ii) availability of capital for clinical trials; (iii) opportunities for joint ventures and corporate partnering; (iv) opportunities for mergers and acquisitions to expand the Company's biotechnology base or acquire revenue generating products; (v) regulatory approvals of preclinical and clinical trials; (vi) the results of preclinical and clinical trials, if any; (vii) regulatory approvals of product candidates, new indications and manufacturing facilities; (viii) health care guidelines and policies relating to prospective Company products; (ix) intellectual property matters (patents); and (x) competition. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section entitled "Item 1. Business," and all subsections therein, including, without limitation, the subsections entitled, Technical Background, Government Regulation, Federal Drug Administration Regulation, Competition and Factors That May Affect the Company, and the section entitled "Market for Registrant's Common Stock and Related Stockholder Matters," all contained in the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003. Given these risks and uncertainties, any or all of these forward-looking statements may prove to be incorrect. Therefore, you should not rely on any such forward-looking statements. Furthermore, we do not intend (and we are not obligated) to update publicly any forward-looking statements. You are advised, however, to consult any further disclosures we make on related subjects in our reports to the Securities and Exchange Commission.

OVERVIEW

We believe that we are a leader in conducting investigational clinical trials allowing us to secure intellectual property for anti-cytokine based treatments of certain autoimmune diseases by the use of antibodies directed at certain cytokines, most notably interferon-gamma and tumor necrosis

factor-alpha. We have no revenues or FDA-approved products, and cannot predict when we might anticipate having proprietary marketed products. Accordingly, our cash flows depend substantially on the success of our ability to enter into licensing and royalty arrangements, and raise capital through the use of equity or debt private placements.

The Company anticipates that its minimum cash requirements for operations for the next twelve months will be less than $2,500,000, including the amount of the Company's convertible debt that becomes due on September 30, 2004 ("Convertible Debt due 2004") of approximately $19,000. The Company had

$1,189,469 in cash and investments as of June 30, 2004. The Company does not have a source of revenues to continue its operations, or research and development costs beyond such funding. In order to meet the foregoing cash requirements, the Company will have to raise funds through the issuance for cash of common or preferred stock, convertible debt or loans. There is no assurance, however, that the Company will be able to raise sufficient capital to meet its cash requirements for the next 12 months, in which case the Company would undertake to adjust its operations including research and development costs.

During March 2004 the Company submitted a proposal to the holders of Convertible Debt due 2004 to exercise their rights to convert such debt into shares of common stock at $0.24 per share by March 31, 2004 (which was extended to April 30, 2004). During the months of March and April, 2004, holders of $2,602,468 principal amount of Convertible Debt due 2004 (including accrued interest) have as of June 30, 2004 elected to convert such debt into 10,843,567 shares of Company Common Stock. In terms of the Company's long-term convertible debt, as of June 30, 2004, the approximate principal balance of $3,800,000 and $868,000 matures on June 30, 2006 and September 30, 2007, respectively. If before this convertible debt would be repaid the market price of the Company common stock is at least $0.75 per share for 20 consecutive trading days, then the Company may also cause the mandatory conversion of such debt into shares of Company common stock at a conversion price of $0.25 per share.

The Company's objective also is to establish collaborative relationships with one or more pharmaceutical or biotechnological companies that could result in the generation of licensing, milestone and royalty payments to the Company. The Company is, therefore, seeking out-licensing or co-development arrangements of its intellectual property that will generate recurring revenue and cash flow. As of the date hereof, the Company has not entered into any agreement with a pharmaceutical or biotechnological company, or any such out-licensing arrangements.

In general, we have a history of operating losses and have not generated any revenue. As of June 30, 2004 we had an accumulated deficit of approximately $10,124,282. Over the next several months, we expect to incur substantial additional expenses as we continue to identify and develop potential products and invest in research. Since we or potential collaborative partners or licensees may not be able to successfully develop additional products, obtain required regulatory approvals, manufacture products at an acceptable cost and with appropriate quality, or successfully market such products with desired margins, we may never achieve profitable operations. The amount of net losses and the time required to reach sustained profitability are highly uncertain.

During 2004, the Company's development goal is to produce, or have produced, a series of human or humanized antibody-based products through collaborations with other biotechnology companies. The Company has identified Innogenetics NV that can develop and possibly manufacture such antibodies for the Company. The Company recently announced the signing of a cross-licensing agreement with Innogenetics NV that enables the two companies to combine Innogenetics' patented humanized antibody to interferon gamma (known as INNO 202) and the Company's intellectual property in the field of various immune diseases involving interferon-gamma. By granting access to their respective intellectual property, the Company believes that the agreement provides a joint position to attract interested third parties when negotiating mutually relevant development and commercial license agreements. See the Company's Form 8-K filed May 5, 2004, for further information set forth in the Company's press release about the cross-licensing agreement. Management believes that the availability of this technology will make it possible to produce safer and more standardized antibodies for commencement of human clinical trials, under FDA guidelines, in the United States.

The Company has no expected purchases or sales of significant equipment and there are no expected significant changes in the number of employees of the Company.

RESULTS OF OPERATIONS - Three months and six months ended June 30, 2004 and 2003.

The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards No. 7. There have been no operations since incorporation.

LIQUIDITY AND CAPITAL RESOURCES.

To date, we have financed our operations through private placements of equity and convertible debt securities. The Company had $1,189,469 in cash and investments as of June 30, 2004 and had issued and outstanding 53,979,853 shares of its Common Stock.

Three Months Ended June 30, 2004 and 2003.

For the three months ended June 30, 2004, the Company realized a net loss of $486,130 compared to a net loss of $476,519 for the three months ended June 30, 2003. The Company had increases in expenses over the three months ended June 30, 2003, consisting primarily of the following: increased research and development expenses in the amount of $8,351, increased professional fees of $7,867, increased shareholder relations and transfer fees of $12,247, increased rent of $12,368, increased general and administrative expenses of $5,083, decreased depreciation and amortization in the amount of $2,899, decreased interest income of $3,541, decreased administrative salaries and benefits of $15,755 and decreased interest expense in the amount of $26,279 related to the Company's convertible subordinated debt and subordinated convertible pay-in-kind notes .

Six Months Ended June 30, 2004 and 2003.

For the six months ended June 30, 2004, the Company realized a net loss of $1,422,881 compared to a net loss of $934,888 for the six months ended June 30, 2003. The Company had increases in expenses over the six months ended June 30, 2003, consisting primarily of the following: increased research and development

expenses in the amount of $80,395, increased professional fees of $21,049, increased stock options and warrants issued for compensation of $172,200, increased shareholder relations and transfer fees of $9,862, increased rent of $11,475, increased depreciation and amortization of $19,377, increased administrative salaries and benefits of $10,156, increased interest expense in the amount of $136,524 related to the Company's convertible subordinated debt and subordinated convertible pay-in-kind notes and decreased interest income of $10,270.

ITEM 3. CONTROLS AND PROCEDURES

In accordance with Item 307 of Regulation S-B promulgated under the Securities Act of 1933, as amended, and within 90 days of the date of this Quarterly Report on Form 10-QSB, the Chief Executive Officer and Chief Financial Officer of the Company (the "Certifying Officers") have conducted evaluations of the Company's disclosure controls and procedures. As defined under Sections 13a-14(c) and 15d-14(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the term "disclosure controls and procedures" means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Certifying Officers have reviewed the Company's disclosure controls and procedures and have concluded that those disclosure controls and procedures are effective in causing information to be recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and communicated to management of the Company to allow timely decisions regarding the Company's public disclosures. In compliance with Section 302 of the Sarbanes-Oxley Act of 2002, (18 U.S.C. 1350), each of the Certifying Officers executed an Officer's Certification included in this Quarterly Report on Form 10-QSB.

As of the date of this Quarterly Report on Form 10-QSB, there have not been any significant changes in the Company's internal controls or in other factors that could significantly affect these internal controls subsequent to the date of the Certifying Officers' evaluation.

PART II

ITEM 2. (c) CHANGES IN SECURITIES

Effective as of June 30, 2004, the Board of Directors approved the issuance of additional convertible debt and convertible notes, respectively, in payment of accrued and unpaid interest (in lieu of cash payments) as of June 30, 2004, for the Company's Subordinated Convertible Pay-Kind Notes due September 30, 2004, the Subordinated Convertible Pay-In-Kind Notes due June 1, 2006, and the Subordinated Convertible Pay-In-Kind Notes due September 30, 2007.

ITEM 5. OTHER INFORMATION

(a) Delisting from Berlin-Bremen Stock Exchange. On June 9, 2004, the

Company reported on Form 8-K that it had submitted a demand to be delisted from the Berlin-Bremen Stock Exchange. The Company has been delisted from the Berlin-Bremen Stock Exchange, which delisting was confirmed by such Exchange later in the day on June 9, 2004.

The Company reports that it is continuing its efforts to enroll participants in the Phase I FDA-approved clinical trial to initially treat drug-resistant AIDS patients with an inhibitor to Tumor Necrosis Factor-alpha (TNF-(alpha)).

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a)

Exhibit Number	Description
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

The Registrant filed the following reports on Form 8-K during the quarter ended June 30, 2004:

1. April 19, 2004. The Registrant reported that it launched a Phase I FDA-approved clinical trial to initially treat antiretroviral drug-resistant AIDS patients with an inhibitor to Tumor Necrosis Factor-alpha (TNF-(alpha)). The trial is being conducted by researchers at Georgetown University.

2. May 5, 2004. The Registrant reported that the Registrant and Innogenetics NV announced the signing of a cross-licensing agreement combining Innogenetics' patented humanized antibody to interferon-gamma (known as INNO 202) and Registrant's intellectual property in the field of various immune diseases involving interferon-gamma, as more specifically described in the joint press release filed by the Registrant.

3. June 3, 2004. The Registrant reported that it received a Notice of Allowance from the United States Patent and Trademark Office for its patent application entitled "Methods of prevention and treatment of asthma and allergic conditions."

4. June 9, 2004. The Registrant reported that it demanded an immediate delisting from the Berlin-Bremen Stock Exchange.

EXHIBIT INDEX

Exhibit	Description
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted

pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report on Form 10-QSB to be signed on its behalf by the undersigned thereunto duly authorized as of August 9, 2004.

Advanced Biotherapy, Inc.
(Registrant)

By: /s/Edmond F. Buccellato	By: /s/William M. Finkelstein
Edmond F. Buccellato	William M. Finkelstein
President and CEO	Chief Financial Officer

EXHIBIT 31.1

Certification by Edmond F. Buccellato, President and Chief Executive Officer
of
Advanced Biotherapy, Inc.

I, Edmond F. Buccellato, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Advanced Biotherapy, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The Registrant's other certifying officers 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 quarterly 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 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; 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 that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

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: August 9, 2004

/s/Edmond F. Buccellato

Edmond F. Buccellato
President and Chief Executive Officer

EXHIBIT 31.2

Certification by William M. Finkelstein, Chief Financial Officer
of
Advanced Biotherapy, Inc.

I, William M. Finkelstein, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Advanced Biotherapy, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The Registrant's other certifying officers 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 quarterly 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 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; 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 that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

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: August 9, 2004

/s/William M. Finkelstein

William M. Finkelstein
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
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 Quarterly Report of Advanced Biotherapy, Inc. (the "Company") on Form 10-QSB for the quarter ended June 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Edmond F. Buccellato, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/Edmond F. Buccellato

Edmond F. Buccellato, President and
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
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 Quarterly Report of Advanced Biotherapy, Inc. (the "Company") on Form 10-QSB for the quarter ended June 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, William M. Finkelstein, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/William M. Finkelstein

Chief Financial Officer