UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-QSB

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

For the quarterly period ended June 30, 1997

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: 01-21617

THE QUIGLEY CORPORATION
(Exact name of registrant as specified in its charter)

Nevada	23-2577138
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

(MAILING ADDRESS: PO Box 1349, Doylestown, PA 18901.)

Landmark Building, 10 South Clinton Street, Doylestown, PA 18901
(Address of principle executive offices) (Zip Code)

(215) 345-0919
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date. The number of shares outstanding of each of the registrant's classes of common stock, as of July 31, 1997 11,911,268, all of one class of $.0005 par value common stock.

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THE QUIGLEY CORPORATION
BALANCE SHEET

	(Unaudited) June 30, 1997
ASSETS	
<S>	<C>
Current Assets:	
Cash and cash equivalents	$ 6,568,043
Accounts receivable, net	1,443,840
Inventory	7,366,650
Prepaid income taxes	594,807
Other current assets	451,641
TOTAL CURRENT ASSETS	16,424,981
EQUIPMENT - Less accumulated depreciation	140,112
OTHER ASSETS:	
Patent rights - Less accumulated amortization	432,357
Deferred income taxes (Note 4)	1,014,414
Other assets	414,113
TOTAL OTHER ASSETS	1,860,884
TOTAL ASSETS	$18,425,977
LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES:	
Accounts payable	$ 1,261,107
Accrued payroll and payroll taxes	630,076
Accrued royalties and sales commissions	1,158,532
Accrued expenses	1,721,949
TOTAL CURRENT LIABILITIES	4,771,664
OTHER NON-CURRENT LIABILITIES	919,701
STOCKHOLDER'S EQUITY:	
Common Stock, $.0005 par value; authorized 50,000,000; issued 12,223,130; outstanding 11,736,268 shares (Note 2)	6,112
Additional paid-in capital	7,473,446
Retained earnings	6,695,412
Less: Treasury stock, 486,862 shares at cost (Notes 2&3)	(1,145,358)
Stock subscription receivable (Note 2)	(295,000)
TOTAL STOCKHOLDER'S EQUITY	12,734,612
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 18,425,977

See accompanying notes to financial statements

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THE QUIGLEY CORPORATION
STATEMENTS OF OPERATIONS
(Unaudited)

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	Three months ended June 30, 1997	Three months ended June 30, 1996	Six months ended June 30, 1997	Six months ended June 30, 1996
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NET SALES	$4,083,736	$ 69,496	$26,265,742	$ 174,928
COST OF SALES	1,225,374	20,953	8,114,196	53,852
GROSS PROFIT	2,858,362	48,543	18,151,546	121,076
OPERATING EXPENSES:				
Sales and marketing ...	435,099	40,427	2,921,223	82,564
Administration	646,429	103,278	2,546,003	210,964
TOTAL OPERATING EXPENSES .	1,081,528	143,705	5,467,226	293,528
INCOME BEFORE TAXES	1,776,834	(95,162)	12,684,320	(172,452)
INCOME TAXES (Note 4).....	719,469	--	5,137,150	--
NET INCOME	$ 1,057,365	($ 95,162)	$ 7,547,170	($ 172,452)
Earnings per common share:				
Primary (Notes 2 & 3)	$.07	($.01)	$.47	($.02)
Fully diluted (Notes 2 & 3)	$.07	($.01)	$.47	($.02)
Weighted average common shares outstanding:				
Primary (Notes 2 & 3)	15,825,852	8,377,532	16,199,522	8,397,050
Fully diluted (Notes 2 & 3)	15,825,852	8,377,532	16,199,522	8,397,050

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

<S> <C> <C>

	Six months ended June 30, 1997	June 30, 1996
OPERATING ACTIVITIES:		
Net income (loss)	$ 7,547,170	($172,452)
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation and amortization	69,027	--
Deferred income taxes	(298,589)	--
(Increase) decrease in assets:		
Accounts receivable	756,984	120,779
Prepaid income taxes	(594,807)	--
Inventory	(7,065,918)	13,854
Other current assets	(441,784)	506
Increase (decrease) in liabilities:		
Accounts payable	1,129,310	(28,468)
Accrued payroll and payroll taxes	630,076	--
Accrued royalties and sales commissions..	527,887	--
Accrued expenses	1,602,598	(2,445)
Accrued income taxes	(622,318)	--
Other non-current liabilities	509,000	--
Total adjustments	(3,798,534)	104,226
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,748,636	(68,226)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(78,516)	(1,333)
Patent rights and other assets	(15,515)	(24)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(94,031)	(1,357)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock issued from exercise of options and warrants	60,850	--
Common stock issued from sale of stock	76,007	77,980
Due from attorney's escrow account	260,000	--
Stock subscription receivable	60,608	(2,214)
NET CASH FLOWS FROM FINANCING ACTIVITIES	457,465	75,766
NET INCREASE (DECREASE) IN CASH	4,112,070	6,183
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD ...	2,455,973	79,612
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 6,568,043	$ 85,795

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
STATEMENTS OF CASH FLOWS (continued)
(Unaudited)

	Six months ended June 30, 1997	June 30, 1996
Supplemental disclosure of cash flow information		
Non cash investing and financing activities:		
Capital expenditures	$7,905	-----
Patent rights and other assets	$615,701	-----
Common stock issued for services performed	$1,358,263	-----
Treasury stock cost	$1,145,358	-----

See accompanying notes to financial statements

</TABLE>

THE QUIGLEY CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND GENERAL

The Quigley Corporation (the "Company"), organized under the laws of the state of Nevada, is primarily engaged in the development, manufacturing, and marketing of homeopathic cold remedies. The products developed are being offered to the general public through distributors, brokers, mail order, and is regularly featured on the QVC Cable TV shopping network. For the fiscal periods presented, and for the immediate future, the Company plans to continue concentrating its efforts in the promotion of its major proprietary "Cold-Eeze(R)" and Cold-Eezer Plus products. These products are based upon a proprietary zinc gluconate glycine formula which in a clinical study conducted by The Cleveland Clinic, has been shown to reduce the severity and duration of the common cold symptoms. This product is covered by patents registered in the United States, United Kingdom, Sweden, France, Italy, Canada, Germany and pending in Japan. Research is continuing on this product in order to maximize its full potential use for the general public.

On July 15, 1996, results of this study were published in the Annals of Internal Medicine - Vol. 125 No 2, of a new randomized double-blind placebo-controlled study of the common cold, which had commenced at the Cleveland Clinic Foundation, on October 3, 1994. This study had results that indicated a 42% reduction in the duration and severity of the common cold symptoms.

The Company has exclusive worldwide representation, manufacturing, marketing and distribution rights for the zinc gluconate glycine lozenge formulation, known as "Cold-Eeze(R)", which is patented in the United States, United Kingdon, Sweden, France, Italy, Canada, Germany, and pending in Japan. The goal of the Company is to have consumers worldwide make "Cold-Eeze(R)" their preferred choice for relief from the common cold.

The business of the Company is subject to federal and state laws and regulations adopted for the health and safety of users of the Company's products. Cold-Eeze(R) is a homeopathic remedy which is subject to regulations by various federal, state and local agencies, including the FDA and the Homeopathic Pharmacopoeia of the United States.

The Company competes with a various range and size of suppliers in the cold remedy products arena. Cold-Eeze(R) which has been clinically proven to reduce the duration and severity of the common cold symptoms, offers a significant advantage over other suppliers in the over-the-counter cold remedy market. The management of the Company believes there should be no future impediment on our ability to compete in the marketplace now, or in the immediate future, since factors concerning the product, such as, price, product quality, availability, reliability, credit terms, name recognition, delivery and support are all properly positioned.

The Balance Sheet as of June 30, 1997, the Statements of Operations for the three and six months periods ended June 30, 1997 and 1996, and the Statements of Cash Flows for the six months periods ended June 30, 1997 and 1996, have been prepared without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows, for the periods indicated, have been made. All adjustments made were of a normal recurring nature.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles, have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the financial statements and accompanying notes for the fiscal year ended September 30, 1996, in the Company's Form 10-KSB/A, and the transition quarter ended December 31, 1996, in the Company's Form 10-QSB. The transition quarter reflects the Company's change from a fiscal year end of September 30, to a calendar year end, and is reflective of the first quarter results since the release of The Cleveland Clinic Study in July 1996.

NOTE 2 - TRANSACTIONS AFFECTING STOCKHOLDER'S EQUITY

On January 15, 1997, the Company split its common stock on a two-for-one basis. Therefore, all share data such as, par value, earnings per share, options and warrants exercised, cash received or to be received for outstanding options and warrants are all on a post-split basis.

From January 1, 1997 to June 30, 1997, there were 85,000 shares issued through the exercise of stock options and warrants of the Company, shares numbering 17,884 were issued for cash payment, 264,120 were issued for services rendered to the Company, and 729,928 shares were returned to the Company to be placed in treasury. The difference between the option payment price and cash received or fair market value for services rendered, resulted in an increase to the additional paid-in-capital of the Company.

At June 30, 1997, there were a total of 5,935,000 of unexercised issued options and warrants of the Company's stock.

Of the shares issued through the exercise of stock options and warrants, monies in the amount of $295,000 still owed to the Company, are classified as a contra account in stockholder's equity.

On October 1, 1996, the Company entered into an agreement with Sands Brothers & Co., Ltd, ("Sands") to assist the Company raise additional capital and to provide other investment banking services. For this service, Sands received 800,000 warrants at an exercise price of $1.75. Subsequently, this contract, was modified in November 1996, and stipulated Sands had the conditional right to purchase, at $10 per share, 200,000 shares of the Company's stock, for every million dollars they identify for the Company in a private placement of the Company's Stock pursuant to Regulation D. The Company desired that the private placement was not to exceed $10 million. During the first quarter of 1997, the Company decided not to pursue a private placement offering. Therefore, the aforementioned possible additional warrants for Sands will not materialize.

However, in order to terminate this arrangement with Sands, the Company issued to Sands 350,000 additional warrants to purchase the Company's stock at $10 per share. Accordingly, a provision for loss of $700,000 ($417,000 net of taxes) for a total of 1,150,000 warrants issued to Sands, and other expenses expected to be incurred, was charged against earnings.

Also, the Company terminated a contract with a consulting firm that was previously issued 350,000 options to purchase the Company's stock. A provision of $91,000 ($54,000 net of taxes), was also charged against earnings

On March 27, 1997, the Company received a net return to treasury 486,862 shares of its stock because of a favorable ruling from litigation commenced against Nutritional Foods, Ltd. ("NFL"). The total shares recovered was 729,928. As payment for legal services, 243,066 restricted shares were issued on March 27, 1997 with a discounted market value for these shares of $1,145,358. This discounted value then became the cost of the net treasury stock ($2.35 per share) returned to the Company.

NOTE 3 - EARNINGS PER SHARE

Earnings and net loss per share is based on the weighted average number of common shares outstanding during the three months and six months periods ended June 30, 1997 and 1996. Using the modified treasury stock method, increased the weighted average number of common shares outstanding for the period ended June 30, 1997 by 4,310,723 shares, or a total number of weighted shares outstanding of 16,199,522. During the period ended June 30, 1996, no effect has been given to unexercised stock options or warrants because the effect would be antidilutive.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share", which simplifies the calculation of basic EPS and diluted EPS. The effective date is for accounting periods ending after December 15, 1997, with restatement for prior periods presented after December 15, 1997.

NOTE 4 - INCOME TAXES

Income taxes includes both deferred and currently payable taxes. Deferred income taxes result from temporary differences which consist of a different tax base for assets and liabilities than their reported amounts in the financial statements. The deferred tax asset of $1,014,414 consists principally of future tax deductions from the issuance of options, warrants and restricted stock. For the three months and six months periods ended June 30, 1997 an effective tax rate is provided for deferred and currently payable taxes at 40.5%. Since the Company was in a Net Operating Loss position at June 30, 1996, no taxes were provided for payment or recovery.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Company maintains certain royalty agreements with the founders and developers, licensors, and consultants for the Cold-Eeze(R) product. The gross royalty is 13% of sales collected before certain deductions. Representative Agreements are in place for several Brokers and Distributors, both Nationally and Internationally. These agreements are sales performance based. In addition the Company has also issued incentive common stock purchase options to its Brokers, Distributors and Representatives. Additionally, there are employment agreements in place with certain officers of the Company that expire in 2005 or earlier, and provide for among other things, a minimum annual base compensation.

On March 17, 1997, an agreement with the manufacturer of the Cold-Eeze(R) product for the Company was entered for a period of three years. Also, the Company has contractual commitments for advertising amounting to approximately $2,600,000.

The Company is involved in certain legal actions and claims arising in the ordinary course of business. It is the opinion of management (based on advice of legal counsel) that such litigation and claims will be resolved without material effect on the Company's financial position. Included in the results of operations for the period ended June 30, 1997, are provisions for estimated costs to litigate the settlement of certain agreements and infringements of the Company's proprietary Cold-Eeze(R) product by certain competitors.

NOTE 6 - OTHER MATTERS

On January 2, 1997, the Board of Directors approved the change of the Company's fiscal year from September 30 to December 31 to reflect the fiscal year which has been generally adopted by the pharmaceutical industry. The audited statements for the transition period October 1, 1996 to December 31, 1996, will be audited by Nachum Blumenfrucht, CPA, and filed by the Company within Form 10-KSB for the calendar year ended December 31, 1997.

On January 29, 1997, the Company engaged the independent accounting firm of Coopers & Lybrand L.L.P. to audit the Company's financial statements for the calendar year 1997. The replacement of the previous certifying accountant, Nachum Blumenfrucht, CPA, was made by approval of the Board of Directors of the Company and with agreement of Mr. Blumenfrucht. This change was due to the dramatic expansion of business operations undertaken by the Company since the close of the prior fiscal year. There have been no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope of procedure, nor any reportable event required to be disclosed.

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

After extensive research and development, coupled with consumer test marketing, the Company launched its products into the marketplace on a limited basis on October 1, 1994. The Company's major product,"Cold-Eeze(R)", is designed for the commercial marketplace of Health Food Stores, Drug and Chain Stores and Supermarkets. Upon completion of a second double-blind placebo-controlled study at the Cleveland Clinic Foundation, which proved that Cold-Eeze(R), utilizing 13.3mg of zinc gluconate glycine, reduced the duration and severity of the common cold symptoms by 42%. These results were then peer-published in The Annals Of Internal Medicine. This study also confirmed a previous Cold-Eeze(R) study conducted at the Dartmouth College Cold Clinic, which was peer-published in the Journal Of International Medical Research. The Dartmouth study, using a 23mg zinc gluconate glycine lozenge, also resulted in a 42% reduction in the duration and severity of the common cold symptoms.

In keeping with Homeopathy "less is more", the company has completed the process of a homeopathic proving on zinc gluconate (the active ingredient of our cold therapy).

Zinc gluconate now has a homeopathic drug proving and a clinical trial demonstrating its effectiveness. A monograph has been filed with HPCUS (Homeopathic Pharmacopoeia Convention of the United States) and has been approved by the HPUS preliminary committee, the Pharmacy committee and the HPUS Board of Directors. Zinc gluconate, the active ingredient of Cold-Eeze(R), will now be included in the HPUS pharmacopoeia.

Cold-Eeze is currently distributed, but not limited to the following distribution outlets, Chain Stores and/or Distributors Including: McKesson, Zee Medical, Foxmeyer, F. Dohman Company, Bergen Brunswick, Amerisource, US Health Distributors, Cardinal Health, Walgreen's, Eckerd, Revco, RiteAid, Thrift Drug , CVS, Albertsons, Kmart, Osco/Savon , American Stores, H.E. Butt and other smaller chains and independent outlets. Cold-Eezer Plus, continues to be sold successfully in the alternative marketplace of doctor's offices and the home shopping channel QVC.

The Company has created an information web site, which can be visited by using the following address: http://www.quigleyco.com - The Company can also be E-mailed at: quigley@quigleyco.com.

RESULTS OF OPERATIONS

Prior to the release of the Cleveland Clinic Study in July 1996, financial information previously reported does not really compare to the financial relationships that are present in the three and six months periods ended June 30, 1997. Also, it is expected that the Company will experience significant continued overall growth for the calendar year 1997. However, since the primary cold season is from September to March, the Company's normal revenue cycle will have significant revenue reductions in the second quarter, and to a lessor extent, in the third quarter, as compared with the first and fourth quarters of the year.

For the three and six months periods ended June 30, 1997, the Company reported revenues of $4,083,736 and $26,265,742, and a net income of $1,057,365 and $7,547,170 as compared with revenues of $69,496 and $174,928 and a net loss of ($95,162) and ($172,452) for the comparable periods ended June 30, 1996. This substantial increase in revenue and profits is primarily due to the publication of a recent clinical trial study in a medical journal, proving the effectiveness of Cold-Eeze(R) as a remedy for the common cold. Also, contributing to this substantial increase was the Company's national marketing program, national exposure in the media, such as the ABC network news program, "20/20", in January 1997, and the substantial increase in the manufacturing availability for the product during this period, which is also planned for the remainder of 1997.

The current gross profit rate of 70.0% and 69.1% for the three and six months periods ended June 30, 1997, should remain as a relative constant going forward, especially for the immediate future. This is comparable to the 69.9% and 69.2% gross profit rate for the comparable periods ended June 30, 1996.

Operating expenses, such as delivery, brokerage commissions, promotion, advertising and legal costs, increased significantly over the prior comparable period due to the national marketing efforts and the relationship of revenue dollar volume increases of the Cold-Eeze(R) product. These expenses accounted for approximately $651,881 and $3,081,831 of the total operating costs of $1,081,528 and $5,467,226 for the three and six months periods ended June 30, 1997 as compared to total operating costs of $143,705 and $293,528 for the prior comparable three and six months periods. Accordingly, until other income tax strategies currently being reviewed are implemented in the future, an effective tax rate for the Company should approximate 40.5%.

Although the Company expects that sales levels will be highest during the peak cold season from September through March, new marketing plans are under way as well as negotiating sales distribution agreements for the Southern Hemisphere, which has a cold season that is opposite of North America, to help counteract the current seasonality for the product.

Total assets of $18,425,977, working capital of $11,653,317 and shareholder's equity of $12,734,612 at June 30, 1997, increased dramatically as compared to $6,281,184, $3,723,275 and $4,777,073, respectively at December 31, 1996. This occurred primarily from significant sales and net income volume increases which thereby increased cash and cash equivalents $4,112,070, inventories $7,065,918, accounts payable and other accrued expenses $3,889,871. The occurrence of common stock related transactions, as compared to the comparable reporting period, totaling $670,369 also contributed to the balance sheet increases.

The management of the Company currently believes that the expected significant increases in revenues, and related profits generated, for the remainder of 1997, should provide an internal source of capital to fund the Company's business operations, and as needed, short term funding with commercial banks. Also, management is not aware of any trend, events or uncertainties that have, or are reasonably likely, or expected to have, a material negative impact upon the Company's short term or long term liquidity.

PART II - Other Information

Item 1.	Legal proceedings	None
Item 2.	Changes in securities	None
Item 3.	Defaults upon senior securities	None

Item 4. Submission of matters to a vote of security holders:

On March 21, 1997, the Company held its annual meeting with 12,119,192 shares of Common Stock, par value $.0005, being eligible to vote. The presence of a quorum was reached and the reelection of the current Board of Directors and the election of Coopers & Lybrand L.L.P. as independent auditors for the calendar year 1997 was approved.

Item 5. Other information:

As of July 7, 1997, the Company began trading on the NASDAQ SmallCap Market, with its trading symbol remaining "QGLY". As part of the listing process, NASDAQ requested and received a review of the Company's unaudited March 31, 1997 quarterly financial statements by Coopers & Lybrand L.L.P., the Company's newly-appointed independent auditors.

Item 6. Exhibits and reports on Form 8-K

a) Form 8-K was filed on February 4, 1997 covering all items specified in Note 6 to the Company's financial statements

SIGNATURES

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

THE QUIGLEY CORPORATION

By: /s/ George J. Longo

George J. Longo
Vice President, Chief Financial Officer

Date: August 14, 1997

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