SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 2003

OR

( ) THE 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.)

Kells Building, 621 Shady Retreat Road, Doylestown, PA 18901

(Address of principle executive offices) (Zip Code)

Securities registered under Section 12(g) of the Exchange Act:
COMMON STOCK ($.0005 Par Value)
COMMON SHARE PURCHASE RIGHTS

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). [ ] Yes [X] No

Indicate the number of shares of each of the Registrant's classes of securities (all of one class of $.0005 par value Common Stock) outstanding on October 29, 2003: 11,503,026.

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THE QUIGLEY CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS	September 30, 2003 (Unaudited)	December 31, 2002
CURRENT ASSETS:		
Cash and cash equivalents	$ 10,647,170	$ 12,897,080
Accounts receivable (net of doubtful accounts of $809,698 and $737,782)	4,600,276	4,188,123
Inventory	4,526,205	4,526,761
Prepaid expenses and other current assets	716,543	490,117
Assets of discontinued operations	--	374,007
TOTAL CURRENT ASSETS	20,490,194	22,476,088
PROPERTY, PLANT AND EQUIPMENT - net	2,398,104	2,336,736
OTHER ASSETS:		
Goodwill, net	30,763	30,763
Other assets	80,365	1,000
Assets of discontinued operations	--	90,369
TOTAL OTHER ASSETS	111,128	122,132
TOTAL ASSETS	$ 22,999,426	$ 24,934,956
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 421,560	$ 394,675
Accrued royalties and sales commissions	991,719	1,146,495
Accrued advertising	897,651	1,559,575
Accrued consulting	1,673,000	1,673,000
Other current liabilities	2,444,002	1,353,383
Liabilities of discontinued operations	--	385,011
TOTAL CURRENT LIABILITIES	6,427,932	6,512,139
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock, $.0005 par value; authorized 50,000,000; Issued: 16,148,649 and 16,102,670 shares	8,074	8,051
Additional paid-in-capital	32,608,449	32,592,222
Retained earnings	9,143,130	11,010,703
Less: Treasury stock, 4,646,053 and 4,646,053 shares, at cost	(25,188,159)	(25,188,159)
TOTAL STOCKHOLDERS' EQUITY	16,571,494	18,422,817
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 22,999,426	$ 24,934,956

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2003	September 30, 2002	September 30, 2003	September 30, 2002

SALES:				
Sales	$ 10,573,928	$ 8,548,654	$ 26,351,211	$ 18,994,401
Co-operative advertising promotions	661,701	714,329	1,243,312	1,121,923
NET SALES	9,912,227	7,834,325	25,107,899	17,872,478
LICENSING FEES	--	--	--	148,866
TOTAL REVENUE	9,912,227	7,834,325	25,107,899	18,021,344
COST OF SALES	5,424,380	4,723,263	14,160,353	10,844,358
GROSS PROFIT	4,487,847	3,111,062	10,947,546	7,176,986
OPERATING EXPENSES:				
Sales and marketing	1,095,486	788,719	3,438,840	2,518,265
Administration	2,046,915	1,987,058	6,800,522	6,237,782
Research and development	1,230,245	666,002	2,599,250	1,897,403
TOTAL OPERATING EXPENSES	4,372,646	3,441,779	12,838,612	10,653,450
INCOME (LOSS) FROM OPERATIONS	115,201	(330,717)	(1,891,066)	(3,476,464)
INTEREST AND OTHER INCOME	18,928	41,864	77,842	117,871
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES	134,129	(288,853)	(1,813,224)	(3,358,593)
INCOME TAXES	--	--	--	--
INCOME (LOSS) FROM CONTINUING OPERATIONS	134,129	(288,853)	(1,813,224)	(3,358,593)
DISCONTINUED OPERATIONS:				
Loss from discontinued operations	--	(211,542)	(54,349)	(292,790)
NET INCOME (LOSS)	$ 134,129	($ 500,395)	($ 1,867,573)	($ 3,651,383)
Basic earnings per common share:				
Income (loss) from continuing operations	$ 0.01	($ 0.03)	($ 0.16)	($ 0.31)
Loss from discontinued operations	--	(0.02)	--	(0.03)
Net Income (loss)	$ 0.01	($ 0.05)	($ 0.16)	($ 0.34)
Diluted earnings per common share:				
Income (loss) from continuing operations	$ 0.01	($ 0.03)	($ 0.16)	($ 0.31)
Loss from discontinued operations	--	(0.02)	--	(0.03)
Net Income (loss)	$ 0.01	($ 0.05)	($ 0.16)	($ 0.34)
Weighted average common shares outstanding:				
Basic	11,475,746	10,964,597	11,464,105	10,870,393
Diluted	14,397,286	10,964,597	11,464,105	10,870,393

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONDENSED)
(Unaudited)

	Nine Months Ended	
	September 30, 2003	September 30, 2002
NET CASH USED IN OPERATING ACTIVITIES	($ 1,989,766)	($ 1,465,160)
INVESTING ACTIVITIES:		

Capital expenditures	(410,108)	(432,508)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(410,108)	(432,508)
FINANCING ACTIVITIES:		
Proceeds from exercise of options and warrants	16,250	3,250,000
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	16,250	3,250,000
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	133,714	181,595
NET (DECREASE) INCREASE IN CASH	(2,249,910)	1,533,927
CASH & CASH EQUIVALENTS, BEGINNING OF PERIOD	12,897,080	9,684,305
CASH & CASH EQUIVALENTS, END OF PERIOD	$ 10,647,170	$ 11,218,232

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND BUSINESS

The Quigley Corporation (WWW.QUIGLEYCO.COM, the "Company"), organized under the laws of the state of Nevada, is engaged in the development, manufacturing, and marketing of health and homeopathic products that are being offered to the general public, and the research and development of potential prescription products. The Company is organized into three business segments, which are, Cold Remedy, Health and Wellness, and Ethical Pharmaceutical. For the fiscal periods presented, the Company's revenues have come from the Company's Cold Remedy business segment and the Health and Wellness business segment.

Darius International Inc., ("Darius") a wholly owned subsidiary of the Company, the Health and Wellness segment, was formed in January 2000 to introduce new products to the marketplace through a network of independent distributors. Darius is a direct selling organization specializing in proprietary health and wellness products, which commenced shipping product to customers in the third quarter of 2000. On January 2, 2001, the Company acquired certain assets and assumed certain liabilities of a privately held company involved in the direct marketing and distribution of health and wellness products.

The formation of Darius has provided diversification to the Company in both the method of product distribution and the broader range of products available to the marketplace serving as a balance to the seasonal revenue cycles of the Cold-Eeze(R) branded products.

In January 2001, the Company formed an Ethical Pharmaceutical Unit which is now Quigley Pharma Inc. ("Pharma"), a wholly-owned subsidiary of the Company, the Ethical Pharmaceutical segment, that is under the direction of its Executive Vice President and Chairman of its Medical Advisory Committee. The formation of Pharma follows the Patent Office of The United States Commerce Department confirming the assignment to the Company of a Patent Application for the "Method and Composition for the Topical Treatment of Diabetic Neuropathy" which was issued and extends through March 27, 2021. The establishment of a dedicated pharmaceutical subsidiary may enable the Company to diversify into the prescription drug market and to ensure safe and effective distribution of these important potential new products currently under development. At this time, three patents have been issued and assigned to the Company resulting from research activity of Pharma.

During 2000, the Company acquired a 60% ownership position in Caribbean Pacific Natural Products, Inc. ("CPNP"), a leading developer and marketer of all-natural sun-care and skincare products for luxury resorts, theme parks and spas. In December 2002, the Board of Directors of the Company approved a plan to sell CPNP. On January 22, 2003, the Company completed the sale of the Company's 60% equity interest in CPNP to Suncoast Naturals, Inc. ("Suncoast"). See discussion in Notes to Financial Statements, Note 3 - Discontinued Operations.

COLD REMEDY
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Cold-Eeze(R), a zinc gluconate glycine formulation (ZIGG(TM)) is an over-the-counter consumer product used to reduce the duration and severity of

the common cold and is sold in lozenge and sugar-free tablet form. During the third quarter of 2003 the Company launched Cold-EEZE(R) Cold Remedy Nasal Spray and Kidz-EEZE(TM) Sore Throat Pop with Pectin. The nasal spray product is a moisturizing nasal spray containing Aloe Vera gel and Zinc Gluconate.

In May 1992, the Company entered into an exclusive agreement for worldwide representation, manufacturing, marketing and distribution rights to a zinc gluconate glycine lozenge formulation which was patented in the United States, United Kingdom, Sweden, France, Italy, Canada, Germany, and is pending in Japan. This product is presently being marketed by the Company and also through independent brokers and marketers in the United States under the trade name Cold-Eeze(R). Under a Food and Drug Administration ("FDA") approved Investigational New Drug Application, a randomized double-blind placebo-controlled study, conducted at Dartmouth College of Health Science, Hanover, New Hampshire, concluded that the lozenge formulation treatment, initiated within 48 hours of symptom onset, resulted in a significant reduction in the total duration of the common cold.

On May 22, 1992, "Zinc and the Common Cold, a Controlled Clinical Study," was published in England, in the "Journal of International Medical Research", Volume 20, Number 3, Pages 234-246. According to this publication, (a) flavorings used in other Zinc lozenge products (citrate, tartrate, separate, orotate, picolinate, mannitol or sorbitol) render the Zinc inactive and unavailable to the patient's nasal passages, mouth and throat, where cold symptoms have to be treated, (b) this patented formulation delivers approximately 93% of the active Zinc to the mucosal surfaces and (c) the patient has the same sequence of symptoms as in the absence of treatment, but goes through the phases at an accelerated rate and with reduced symptom severity.

On July 15, 1996, results of a new randomized double-blind placebo-controlled study on the common cold were published, which commenced at the Cleveland Clinic Foundation on October 3, 1994. The study called "ZINC GLUCONATE LOZENGES FOR TREATING THE COMMON COLD" was completed and published in THE ANNALS OF INTERNAL MEDICINE - VOL. 125 NO. 2. Using a 13.3mg lozenge (almost half the strength of the lozenge used in the Dartmouth Study), the result still showed a 42% reduction in the duration of the common cold symptoms.

In April 2002, the Company announced the statistical results of a retrospective clinical study that suggests that Cold-Eeze(R) is also an effective means of preventing the common cold. This adolescent study indicated that when taken daily, Cold-Eeze(R) statistically lessens the number of colds an individual suffers per year, reducing the median from 1.5 to zero. These findings are the result of analyzing three years of clinical data at the Heritage School facility in Provo, Utah. The study also found that the use of Cold-Eeze(R) to treat a cold statistically reduces the use of antibiotics for respiratory illnesses from 39.3% to 3.0% when Cold-Eeze(R) is administered as a first line treatment approach to the common cold. Additionally, the study reinforces the original clinical trials, concluding that Cold-Eeze(R) reduces the median duration of a cold by four days. In April 2002, the Company was assigned a Patent Application which was filed with the Patent Office of the United States Commerce Department for the use of Cold-Eeze(R) as a prophylactic for cold prevention. The new patent application follows the results of the adolescent study at the Heritage School facility.

In May 2003, the Company announced the study findings of a prospective study, conducted at the Heritage School facility in Provo, Utah, 178 children ages 12 to 18 years were given Cold-Eeze(R) lozenges both symptomatically and prophylactically from October 5, 2001 to May 30, 2002. The study found a 54% reduction in the most frequently observed cold duration. Those subjects not receiving treatment most frequently experienced symptom duration at 11 days compared with 5 days when lozenges were administered, a reduction of 6 days.

The study also found that there was a 25% reduction in the number of colds experienced when Cold-Eeze(R) was administered once a day as a preventative. With prophylaxis, 61% of the subjects experienced one or fewer colds, far less than the national average of 6-10 colds a year in children, as reported by the National Institute of Allergy and Infectious Diseases.

In the second half of 1998, the Company launched Cold-Eeze(R) in a sugar free version of the product to benefit diabetics and other consumers concerned with their sugar intake.

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 that 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 suppliers varying in range and size in the cold remedy products arena. Because Cold-Eeze(R) has been clinically proven, it 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 impediment on the 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 Company has several Broker, Distributor and Representative Agreements, both nationally and internationally and the product

is distributed through numerous independent and chain drug and discount stores throughout the United States.

The Company continues to use the resources of independent national and international brokers complementing its own personnel to represent the Company's over-the-counter products, thereby saving capital and other ongoing expenditures that would otherwise be incurred.

HEALTH AND WELLNESS
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Darius, through Innerlight Inc., its wholly owned subsidiary, is a direct selling company specializing in the development and distribution of proprietary health and wellness products primarily within the United States with the commencement of international business activity during the second quarter of 2003. The Company develops and markets products that are suitable for distribution within a direct selling business environment. The products marketed and sold by Darius are herbal vitamins and dietary supplements for the human condition, in the areas of health, immunity, energy and pain.

Within the framework of a direct selling business environment, the Company sells its products through a network of independent representatives, who are not employees of the Company. These purchases by the distributors may be used for

personal consumption or used for resale to consumers. The representatives receive compensation for sales achieved by means of a commission structure or compensation plan based on their product sales and those of personnel within their down-line distributor network. As the independent representatives pay for product in advance of shipments being made, the accounts receivable balances at any time are negligible.

The continued success of this segment is dependent, among other things, on the Company's ability:

- To maintain existing independent representatives and recruit additional successful independent representatives. Additionally, the loss of key high-level distributors could negatively impact future growth and revenues;

- To continue to develop and make available new and desirable products at an acceptable cost;

- To maintain safe and reliable multiple-location sources for product and materials;

- To maintain a reliable information technology system and internet capability. The Company has expended significant resource on systems enhancements in the past and will continue to do so to ensure prompt customer response times, business continuity and reliable reporting capabilities. Any interruption to computer systems for an extended period of time could be harmful to the business;

- To execute conformity with various federal, state and local regulatory agencies both within the United States and abroad. With the commencement of international business, difficulties with foreign regulatory requirements could have a significant negative impact on future growth. Any inquiries from government authorities relating to our business and compliance with laws and regulations could be harmful to the Company;

- To compete with larger more mature organizations operating within the same market and to remain competitive in terms of product relevance and business opportunity;

- To successfully implement methods for progressing the direct selling philosophy internationally; and

- To plan strategically for general economic conditions.

Any or all of the above risks could result in significant reductions in revenues and profitability of the Health and Wellness segment.

ETHICAL PHARMACEUTICAL
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The establishment of Pharma may enable the Company to diversify into the development of naturally derived prescription drugs, cosmeceuticals, and dietary supplements. Research and development will focus on the identification, isolation and direct use of active medicinal substances. One aspect of Pharma's research will focus on the combination of isolated active constituents and whole plant components. The search for new natural sources of medicinal substances will focus not only on world plants, fungi, and other natural substances, but an intense investigation into traditional medicinals and historic therapeutics.

Pharma is currently undergoing research and development activity in compliance with regulatory requirements. During the course of its research and development, certain formulas have led to three patents and several patent applications, which the Patent Office of the United States Commerce Department has confirmed the assignment to the Company. The Company, through Pharma, is at the initial

stages of what may be a lengthy process to develop these patents and patent applications into commercial products.

The areas of focus are:

- A Patent (No. 6,555,573 B2) entitled "Method and Composition for the Topical Treatment of Diabetic Neuropathy." The patent extends through March 27, 2021.

- A Patent (No. 6,592,896 B2) entitled "Medicinal Composition and Method of Using It" (for Treatment of Sialorrhea and other Disorders) for a product to relieve sialorrhea (drooling) in patients suffering from Amyotrophic Lateral Sclerosis (ALS), otherwise known as Lou Gehrig's Disease. The patent extends through August 6, 2021.

- A Patent (No. 6,596,313 B2) entitled "Nutritional Supplement and Method of Using It" for a product to relieve sialorrhea (drooling) in patients suffering from Amyotrophic Lateral Sclerosis (ALS), otherwise known as Lou Gehrig's Disease. The patent extends through April 15, 2022.

- A Patent Application entitled "Composition and Method for Prevention, Reduction and Treatment of Radiation Dermatitis" with the Patent Office of The United States Commerce Department.

In September 2002, the Company filed a foreign patent application entitled "Method and Composition for the Topical Treatment of Diabetic Neuropathy" in Europe and other foreign markets.

The pre-clinical development, clinical trials, product manufacturing and marketing of Pharma's potential new products are subject to federal and state regulation in the United States and other countries. Obtaining FDA regulatory approval for these pharmaceutical products can require substantial resources and take several years. The length of this process depends on the type, complexity and novelty of the product and the nature of the disease or other indications to be treated. If the Company cannot obtain regulatory approval of these new products in a timely manner or if the patents are not granted or if the patents are subsequently challenged, these possible events could have a material effect on the business and financial condition of the Company. The strength of the Company's patent position may be important to its long-term success. There can be no assurance that these patents and patent applications will effectively protect the Company's products from duplication by others.

In April 2002, the Company initiated a Phase II proof of concept study in France for treatment of diabetic neuropathy, which was concluded in 2003. It indicated that subjects using this formulation had 67% of their symptoms improve, suggesting efficacy. Because the Company's formulation for relief of diabetes-related pain is a topical treatment and its ingredients are GRAS listed (Generally Regarded As Safe) as identified in the Code of Federal Regulations, FDA approval could potentially be obtained earlier than what is normally required in the FDA process.

In July 2002, the Company announced the commencement of testing on a new formulation being developed by the Company to relieve Sialorrhea (excess secretions of the salivary glands, causing drooling) in patients suffering from diseases including Amyotrophic Lateral Sclerosis (ALS), otherwise known as Lou Gehrig's Disease, Cerebral Palsy, Parkinson's Disease, and Muscular Dystrophy.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. All inter-company transactions and balances have been eliminated. These financial statements have been prepared by management without audit and should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002. In the opinion of management, all adjustments necessary for a fair presentation of the consolidated financial position, consolidated results of operations and consolidated cash flows, for the periods indicated, have been made. Prior period amounts have been reclassified to conform with this presentation.

On January 2, 2001, the Company acquired certain assets and assumed certain liabilities of a privately held company, located in Utah, involved in the direct marketing and distribution of health and wellness products. This acquisition required cash payments that approximated $110,000 and 50,000 shares of the Company's stock issued to the former owners of the net assets acquired. The net assets acquired included assets totaling $536,000 and liabilities assumed

approximating $416,000. Also required were payments totaling $540,000 for the

use of product formulations; consulting; confidentiality and a non-compete agreement. To maintain the continuous application of these arrangements, fees of 5% on net sales collected must be paid to the former owners. The operating results have been included in the Company's Consolidated Statements of Operations from the date of acquisition. Prior to January 1, 2002, the excess of cost over net assets acquired had been subject to amortization on a straight-line basis over a period of 15 years. Subsequent to 2001, the account will only be reduced if the value becomes impaired.

During 2000, the Company acquired a 60% ownership position in CPNP. In December 2002, the Board of Directors of the Company approved a plan to sell CPNP. On January 22, 2003, the Board of Directors of the Company completed the sale of the Company's 60% equity interest in CPNP to Suncoast. Results of CPNP prior to January 22, 2003 are presented as discontinued operations in the Consolidated Statements of Operations and in the Consolidated Balance Sheets. See discussion in Notes to Financial Statements, Note 3 - Discontinued Operations.

GOODWILL AND INTANGIBLE ASSETS

Patent rights have been amortized on a straight-line basis over the period of the related licensing agreements, which approximated 67 months and were fully amortized as of March 2002. Amortization costs incurred for both three months periods were zero, with the costs for the nine months periods ended September 30, 2003 and 2002, having been zero and $21,940, respectively.

As of September 30, 2003 and December 31, 2002, intangible assets consist principally of goodwill. Goodwill is not amortized but reviewed for impairment when events and circumstances indicate the carrying amount may not be recoverable or on an annual basis. In the fourth quarter of 2002, the Company realized an impairment loss of $296,047 relating to goodwill in CPNP, which was reflected in discontinued operations.

CONCENTRATION OF RISKS

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash investments and trade accounts receivable.

The Company maintains cash and cash equivalents with four major financial institutions. Since the Company maintains amounts in excess of guarantees provided by the Federal Depository Insurance Corporation, the Company performs periodic evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any one institution.

Trade accounts receivable potentially subjects the Company to credit risk. The Company extends credit to its customers based upon an evaluation of the customer's financial condition and credit history and generally does not require collateral. The Company has historically incurred minimal credit losses. The Company's broad range of customers includes many large wholesalers, mass merchandisers and multi-outlet pharmacy chains, five of which account for a significant percentage of sales volume, representing 26% and 27% of sales volume for the three months periods ended September 30, 2003 and 2002, respectively, and 19% for both nine months periods ended September 30, 2003 and 2002.

Customers comprising the five largest accounts receivable balances represented 43% and 44% of total trade receivable balances at September 30, 2003 and December 31, 2002, respectively. During the three and nine months periods ended September 30, 2003, 95% and 97% of the Company's revenues originated in the United States during the respective periods.

The Company uses separate suppliers to produce Cold-Eeze(R) in lozenge, nasal spray and sugar-free tablet form. The Company's revenues are currently generated from the sale of Cold-Eeze(R) products and the Health and Wellness segment. The lozenge form is manufactured by a third party manufacturer a significant amount of whose revenues are from the Company. The other forms are manufactured by third parties that produce a variety of other products for other customers. Should these relationships terminate or discontinue for any reason, the Company has formulated a contingency plan in order to prevent such discontinuance from materially affecting the Company's operations. Any such termination may, however, result in a temporary delay in production until the replacement facility is able to meet the Company's production requirements.

Raw material used in the production of the product is available from numerous sources. Currently, it is being procured from a single vendor in order to secure purchasing economies. In a situation where this one vendor is not able to supply the contract manufacturer with the ingredients, other sources have been identified.

Darius' product for resale is sourced from several suppliers. In the event that such sources were no longer in a position to supply Darius with product, other vendors have been identified as reliable alternatives with minimal adverse loss of business.

LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment on an exception basis

whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through future cash flows. If it is determined that an impairment loss has occurred based on the expected cash flows, a loss is recognized in the Statement of Operations. In the fourth quarter of 2002, in addition to its impairment loss in CPNP, the Company realized an additional impairment loss of $337,186 from its investment in CPNP, which was reflected in discontinued operations. The total impairment loss of $633,233 was reflected in discontinued operations.

REVENUE RECOGNITION

Sales are recognized at the time ownership and risk of loss is transferred to the customer, which is primarily the time the shipment is received by the customer. Sales returns and allowances are provided for in the period that the related sales are recorded. Provisions for these reserves are based on historical experience. Total revenues for the three and nine months periods ended September 30, 2002 include an amount of zero and $148,866, respectively, related to licensing fees, which was the final installment as a result of the settlement of the infringement suit, against Gel Tech, LLC, the developer of Zicam(TM), and Gum Tech International, Inc., its distributor.

SHIPPING AND HANDLING

Product sales relating to the Health and Wellness products carry an additional identifiable shipping and handling charge to the purchaser, which is classified as revenue. For cold remedy products, such costs are included as part of the invoiced price. In all cases, costs related to this revenue are recorded in cost of sales.

STOCK COMPENSATION

Stock options and warrants for purchase of the Company's common stock have been granted to both employees and non-employees since the date of the Company's public inception. Options and warrants are exercisable during a period determined by the Company, but in no event later than ten years from the date granted. Stock options granted to employees vest immediately.

The Company applies Accounting Principles Board Opinion No. 25 ("APB 25") in accounting for its grants of options to employees. Under the intrinsic value method prescribed by APB 25, no compensation expense relating to grants to employees has been recorded by the Company in periods reported. If compensation expense for awards made during the nine months periods ended September 30, 2003 and 2002 had been determined under the fair value method of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002
Net loss		
As reported	($ 1,867,573)	($ 3,651,383)
Compensation expense	--	($ 1,627,500)
Pro forma	($ 1,867,573)	($ 5,278,883)
Basic earnings (loss) per share		
As reported	($0.16)	($0.34)
Pro forma	($0.16)	($0.49)
Diluted earnings (loss) per share		
As reported	($0.16)	($0.34)
Pro forma	($0.16)	($0.49)

Expense relating to warrants granted to non-employees have been appropriately recorded, which have been based on either fair values agreed upon with the grantees or fair values as determined by the Black-Scholes pricing model dependent upon the circumstances relating to the specific grants.

A total of 375,000 stock options were granted to employees in the nine months period ended September 30, 2002 with no such grants having been made during the comparable 2003 period.

ROYALTIES AND COMMISSIONS

The Company includes royalties and founders commissions incurred as cost of sales for the Cold Remedy segment and in administration expenses for the Health and Wellness segment based on agreement terms. Independent representative commissions incurred by the Health and Wellness segment are included in cost of sales. Commission expense related to independent brokers associated with the Cold Remedy segment is included in administration expenses.

ADVERTISING

Advertising costs are expensed within the period in which they are utilized. Advertising expense is comprised of media advertising, presented as part of

sales and marketing expense; co-operative advertising, which is accounted for as a deduction from sales; and free product, which is accounted for as part of cost of sales. Advertising costs incurred for the three months periods ended September 30, 2003 and 2002 were $1,120,256 and $1,324,624, respectively, and for the nine months periods ended September 30, 2003 and 2002 were $2,514,575 and $2,255,989, respectively. Included in prepaid expenses and other current assets was $65,000 and $236,875 at September 30, 2003 and December 31, 2002, respectively, relating to prepaid advertising expenses.

RESEARCH AND DEVELOPMENT

Research and development costs are charged to operations in the period incurred. Expenditures for the three months periods ended September 30, 2003 and 2002 were $1,230,245 and $666,002, respectively, and for the nine months periods ended September 30, 2003 and 2002 were $2,599,250 and $1,897,403, respectively. Principally, research and development costs are related to Pharma's areas of interest and study costs associated with Cold-Eeze(R).

INCOME TAXES

The Company utilizes an asset and liability approach which requires the recognition of deferred tax assets and liabilities for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns. In estimating future tax consequences, the Company generally considers all expected future events other than enactments of changes in the tax law or rates. See discussion in Notes to Financial Statements, Note 7 - - Income Taxes.

NOTE 3 - DISCONTINUED OPERATIONS

Effective July 1, 2000, the Company acquired a 60% ownership position of CPNP which is accounted for by the purchase method of accounting and accordingly, the operating results have been included in the Company's consolidated financial Statements from the date of acquisition. This majority ownership position required a cash investment that approximated $812,000 and the provision for a $1 million line of credit, collateralized by inventory, accounts receivable and all other assets of CPNP. The net assets of CPNP at the acquisition date principally consisted of a product license and distribution rights with no recorded value, inventory and fixed assets of $312,915 and $510,000 of working capital with a contribution to minority interest of $329,166.

In December 2002, the Board of Directors of the Company approved a plan to sell CPNP. On January 22, 2003, the Board of Directors of the Company completed the sale of the Company's 60% equity interest in CPNP to Suncoast. In exchange for its 60% equity interest in CPNP, the Company received: (i) 750,000 shares of Suncoast's common stock, which Suncoast has agreed, at its cost and within 60 days from the closing, to register for public resale through an appropriate registration statement; and (ii) 100,000 shares of Suncoast's Series A Redeemable Preferred Stock, which bears interest at a rate of 4.25% per annum and which is redeemable from time to time after March 31, 2003 in such amounts as is equal to 50% of the free cash flow reported by Suncoast in the immediately preceding quarterly financial statements divided by the redemption price of $10.00 per share. The Company owns 19.5% of Suncoast's issued and outstanding capital stock valued at $79,365, representing the Company's share of the fair value of Suncoast at the time the transaction was recorded, this amount is included in Other Assets in the Consolidated Balance Sheets. During August 2003, a registration statement was filed but an effective date has not been determined. The disposal of CPNP was completed in order to allow the Company to focus resources on other activities and clinical research and development.

Sales of CPNP for all periods commencing on the date of acquisition on July 1, 2000 up to date of disposal on January 22, 2003, were $5,075,472, cumulative net losses during that period were $2,232,620. The loss includes an amount of $633,233 relating to the asset impairment, reported in the fourth quarter of 2002. Revenues of CPNP for the three months periods ended September 30, 2003 and 2002 were zero and $443,574, respectively, net losses for the same periods were zero and $211,542. Revenues of CPNP for the nine months periods ended September 30, 2003 and 2002 were $59,824, and $1,643,898, respectively, net losses for the same periods were $54,349 and $292,790. Results of CPNP are presented as discontinued operations in the Consolidated Statements of Operations and in the Consolidated Balance Sheets.

The major classes of balance sheet items of discontinued operations at December 31, 2002 were inventory, accounts receivable, property, plant and machinery and accounts payable.

NOTE 4 - SEGMENT INFORMATION

The basis for presenting segment results is consistent with overall Company reporting. The Company reports information about its operating segments in accordance with Financial Accounting Standard Board Statement No. 131, "Disclosure About Segments of an Enterprise and Related Information," which establishes standards for reporting information about a company's operating segments. All consolidating items are included in Corporate & Other.

The Company has divided its operations into three reportable segments as

follows: The Quigley Corporation (Cold Remedy), whose main product is Cold-Eeze(R), a proprietary zinc gluconate glycine lozenge for the common cold; Darius (Health and Wellness), whose business is the sale and direct marketing of a range of health and wellness products, and Quigley Pharma (Ethical Pharmaceutical), currently involved in research and development activity to develop potential pharmaceutical products.

As discussed in Notes to Financial Statements, Note 3 - Discontinued Operations, the Company disposed of its Sun-care and Skincare segment in January 2003.

Financial information relating to 2003 and 2002 operations, by business segment, follows:

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2003	Cold Remedy Products	Health and Wellness	Ethical Pharmaceutical Products	Corporate and Other	Total
Net Sales					
Customers	$4,614,554	$5,297,673	-	-	$9,912,227
Segment operating profit (loss)	$460,438	$500,357	($845,594)	-	$115,201
AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003	**Cold Remedy Products**	**Health and Wellness**	**Ethical Pharmaceutical Products**	**Corporate and Other**	**Total**
Net Sales					
Customers	$9,434,316	$15,673,583	-	-	$25,107,899
Segment operating profit (loss)	(1,540,584)	1,737,129	($2,087,611)	-	(1,891,066)
Total Assets	$21,303,599	$2,864,338	-	($1,168,511)	$22,999,426

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002	Cold Remedy Products	Health and Wellness	Ethical Pharmaceutical Products	Corporate and Other	Total
Net Sales					
Customers	$3,524,663	$4,309,662	-	-	$7,834,325
Licensing fees	-	-	-	-	-
Segment operating profit (loss)	($384,056)	$509,656	($470,682)	$14,365	($330,717)
AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002	**Cold Remedy Products**	**Health and Wellness**	**Ethical Pharmaceutical Products**	**Corporate and Other**	**Total**
Net Sales					
Customers	$7,268,302	$10,604,176	-	-	$17,872,478
Licensing fees	148,866	-	-	-	148,866
Segment operating profit (loss)	($3,329,161)	$931,248	($1,119,163)	$40,612	($3,476,464)
AS OF DECEMBER 31, 2002	**Cold Remedy Products**	**Health and Wellness**	**Ethical Pharmaceutical Products**	**Corporate and Other**	**Total**
Total Assets	$26,223,476	$1,401,867	-	($2,690,387)	$24,934,956

NOTE 5 - OTHER CURRENT LIABILITIES

Other current liabilities of the Company at September 30, 2003 and December 31, 2002 were $2,444,002 and $1,353,383, respectively. The 2003 amount included balances relating to sales tax accruals and research and development accruals of approximately $562,000 and $798,000, respectively.

NOTE 6 - TRANSACTIONS AFFECTING STOCKHOLDERS' EQUITY

On September 8, 1998, the Company's Board of Directors declared a dividend distribution of Common Stock Purchase Rights (the "Rights"), thereby creating a Stockholder Rights Plan (the "Plan"). The dividend was payable to the stockholders of record on September 25, 1998. Each Right entitles the stockholder of record to purchase from the Company that number of Common Shares having a combined market value equal to two times the Rights exercise price of $45. The Rights are not exercisable until the distribution date, which will be the earlier of a public announcement that a person or group of affiliated or

associated persons has acquired 15% or more of the outstanding common shares, or the announcement of an intention to make a tender or exchange offer resulting in the ownership of 15% or more of the outstanding common shares by a similarly constituted party. The dividend has the effect of giving the stockholder a 50% discount on the share's current market value for exercising such right. In the event of a cashless exercise of the Right, and the acquirer has acquired less than a 50% beneficial ownership of the Company, a stockholder may exchange one Right for one common share of the Company. The Final Expiration of the Plan is September 25, 2008.

Since the inception of the stock buy-back program in January 1998, the Board has subsequently increased the authorization on five occasions, for a total authorized buy-back of 5,000,000 shares or approximately 38% of the previous shares outstanding. Such shares are reflected as treasury stock and will be available for general corporate purposes. From the initiation of the plan until September 30, 2003, 4,159,191 shares have been repurchased at a cost of $24,042,801 or an average cost of $5.78 per share. No shares were repurchased during 2002 or 2003 to date.

As a result of the litigation relating to the case against Nutritional Foods Corporation, in March of 1998, a subsequent order of the Court of Common Pleas of Bucks County modified the decree of January 23, 1997 to provide for a return to treasury of 604,928 shares to the Company. As payment for legal services, 118,066 of these shares were reissued with a market value of approximately $1,145,358. This value, the cost of reacquiring these shares, then became the value of the net treasury stock ($2.35 per share) represented by 486,862 shares returned to treasury.

On April 9, 2002, The Quigley Corporation entered into an agreement with Forrester Financial LLC, ("Forrester") providing for Forrester to act as a financial consultant to the Company. The consulting agreement commenced as of March 7, 2002 for a term of twelve months, but may be terminated by the Company in its sole discretion at any time. As compensation for services to be provided by Forrester to the Company, the Company granted to Forrester, or its designees, warrants to purchase up to a total of 1,000,000 shares of the Company's common stock. The Company's financial statements reflect a $700,000 non-cash charge in first quarter of 2002 resulting from the granting of these warrants. The warrants have three exercise prices, 500,000 warrants exercisable at $6.50 per share, which were exercised in May 2002 resulting in cash to the Company in the amount of $3,250,000, 250,000 warrants exercisable at $8.50 per share, and 250,000 warrants exercisable at $11.50 per share. The warrants were initially exercisable until the earlier to occur of (i) March 6, 2003 or (ii) the termination of the Consulting Agreement.

On December 7, 2002, Forrester commenced an action by a Writ of Summons filed in the Court of Common Pleas of Bucks County, PA against The Quigley Corporation. No Complaint was filed detailing the claim of Forrester against The Quigley Corporation. This action was terminated with prejudice by Forrester as part of its agreement with The Quigley Corporation on February 2, 2003 whereby certain warrants that were scheduled to expire on March 7, 2003 were extended to March 7, 2004 (warrants to purchase 250,000 shares at $8.50; warrants to purchase 250,000 shares at $11.50) are no longer cancelable by the Company. As an additional part of this agreement, Forrester was granted warrants to purchase 250,000 shares at any time until March 7, 2004 at the price of $9.50 a share.

Pursuant to an agreement dated February 2, 2003, the Company entered into an Amended and Restated Warrant Agreement (the "Amended Agreement") with Forrester. As a result of this Amended Agreement the Company recorded a further non-cash charge of $1,400,000 in the fourth quarter of 2002, amounting to a total expense of $2,100,000, classified as administrative expense in the Consolidated Statement of Operations, relating to this warrant agreement in 2002. Additionally, $1,673,000 is reflected in the Consolidated Balance Sheets at September 30, 2003 and December 31, 2002, which represents the value of the unexercised warrants.

At September 30, 2003, there were 4,462,500 unexercised and vested option and warrants of the Company's stock available for exercise.

NOTE 7 - INCOME TAXES

Certain exercises of options and warrants, and restricted stock issued for services that became unrestricted resulted in reductions to taxes currently payable and a corresponding increase to additional-paid-in-capital for prior years. Certain tax benefits for option and warrant exercises totaling $1,889,397 are deferred because of a net operating loss carry-forward for tax purposes ("NOLs") that occurred during the fourth quarter of 1999, resulting from a cumulative effect of deducting $42,800,364 attributed to options, warrants and unrestricted stock deductions from taxable income. The net operating loss carry-forwards arising from the option, warrant and stock activities approximate $16.2 million for federal purposes, of which $3.5 million will expire in 2019, $4.0 million in 2020, $8.7 million in 2022 and $16.2 million for state purposes, of which $9.7 million will expire in 2009, $3.0 million in 2010, and $3.5 million in 2012. Until sufficient taxable income to offset the temporary timing differences attributable to operations and the tax deductions attributable to option, warrant and stock activities are assured, a valuation allowance equaling the total deferred tax asset is being provided.

NOTE 8 - EARNINGS PER SHARE

Basic earnings per share ("EPS") excludes dilution and is computed by dividing income available to common stockholders by the weighted - average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the earnings of the entity. Diluted EPS also utilizes the treasury stock method which prescribes a theoretical buy back of shares from the theoretical proceeds of all options and warrants outstanding during the period. Since there is a large number of options and warrants outstanding, fluctuations in the actual market price can have a variety of results for each period presented.

A reconciliation of the applicable numerators and denominators of the income statement periods presented is as follows (millions, except earnings per share amounts):

	Three Months Ended September 30, 2003			Nine Months Ended September 30, 2003			Three Months Ended September 30, 2002			Nine Months Ended September 30, 2002		
	Income	Shares	EPS	Loss	Shares	EPS	Loss	Shares	EPS	Loss	Shares	EPS
Basic EPS	$ 0.1	11.5	$ 0.01	($ 1.8)	11.5	($0.16)	($ 0.3)	11.0	($0.03)	($3.4)	10.9	($0.31)
Dilutives:												
Options/Warrants	--	2.9	--	--	--	--	--	--	--	--	--	--
Diluted EPS	$ 0.1	14.4	$ 0.01	($ 1.8)	11.5	($0.16)	($ 0.3)	11.0	($0.03)	($3.4)	10.9	($0.31)

Options and warrants outstanding at September 30, 2003 and 2002 were 4,462,500 and 4,160,500, respectively. They were not included in the computation of diluted earnings for periods reporting losses because the effect would be anti-dilutive.

NOTE 9 - RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company has sales brokerage and other arrangements with entities whose major stockholders are also stockholders of The Quigley Corporation, or are related to a major stockholder, officer and director of the Company. Commissions and other items expensed under such arrangements for the three months ended September 30, 2003 and 2002 were zero and $4,454, respectively, the amounts for the nine months ended September 30, 2003 and 2002 were zero and $37,979, respectively, and are included in sales and marketing, and administration expense classifications in the Consolidated Statements of Operations. Amounts payable under such agreements at September 30, 2003 and December 31, 2002 were zero.

An agreement between the Company and the founders Mr. Guy J. Quigley and Mr. Charles A. Phillips, both officers, directors and stockholders of the Company, was entered into on June 1, 1995. The founders, in consideration of the acquisition of the Cold-Eeze(R) cold therapy product, are to share a total commission of five percent (5%), on sales collected, less certain deductions, until the termination of this agreement on May 31, 2005. The amounts paid or payable for the three months periods ended September 30, 2003 and 2002 under such founder's commission agreements were $269,272 and $165,107, respectively, the amounts for the nine months periods ended September 30, 2003 and 2002 were $495,297 and $351,110, respectively, such expense is included in the cost of sales classification in the Consolidated Statements of Operations. Amounts payable under such agreements at September 30, 2003 and December 31, 2002 were $199,017 and $301,695 respectively, and are represented in the accrued royalties and sales commission classification in the Consolidated Balance Sheets.

The Company is in the process of acquiring licenses in certain countries through related party entities whose stockholders include Mr. Gary Quigley, a relative of the Company's Chief Executive Officer. Fees amounting to $92,250 and $76,007, respectively, have been paid to a related entity during the three months periods ended September 30, 2003 and 2002, respectively, to assist with the regulatory aspects of obtaining such licenses and are included in the research and development expense classification in the Consolidated Statements of Operations. Corresponding amounts paid during the nine months periods ended September 30, 2003 and 2002, were $276,750 and $217,000, respectively.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Certain operating leases for office and warehouse space maintained by the Company resulted in rent expense for the three months periods ended September 30, 2003 and 2002 of $55,570 and $76,706, respectively, with such expenses for the nine months periods ended September 30, 2003 and 2002 of $163,950 and $169,263, respectively. The future minimum lease obligations under these operating leases are approximately $436,000. The Company is a guarantor of a lease for a former subsidiary. The lease extends for a period of approximately three years, the maximum amount of future payments the Company could be required

to make under the guarantee is approximately $250,000.

The Company has committed to advertising and research and development costs approximating $3,600,000 relating to 2003 and 2004. Additional advertising and research and development costs are expected to be incurred for the remainder of 2003 and during 2004.

During 1996, the Company entered into a licensing agreement resulting in the utilization of the zinc gluconate patent. In return for the acquisition of this license, the Company issued a total of 240,000 shares of common stock to the patent holder and attorneys during 1996 and 1997. The related intangible asset, approximating $490,000 was amortized over the remaining life of the patent that expired in March 2002. The Company was required to pay a 3% royalty on sales collected, less certain deductions, to the patent holder throughout the term of this agreement, which also expired in 2002.

The Company also maintains a separate representation and distribution agreement relating to the development of the zinc gluconate glycine product formulation. In return for exclusive distribution rights, the Company must pay the developer a 3% royalty and a 2% consulting fee based on sales collected, less certain deductions, throughout the term of this agreement, expiring in 2007. Additionally, a founder's commission totaling 5%, on sales collected, less certain deductions, is paid to two of the officers, who are also directors and stockholders of the Company, and whose agreements expire in 2005.

The expenses for the respective periods relating to such agreements amounted to $361,071 and $330,214 for the three months periods ended September 30, 2003 and 2002, respectively, the corresponding expenses for the nine months periods ended September 30, 2003 and 2002 were $813,130 and $738,220, respectively. Amounts accrued for these expenses at September 30, 2003 and December 31, 2002 were $338,898 and $553,698, respectively.

The Company has an agreement with the former owners of the Utah based direct marketing and selling company, whereby they receive payments, currently totaling 5% of net sales collected, for use of product formulations, consulting, confidentiality and non-compete agreements. Amounts paid or payable under such agreement during the three months periods ended September 30, 2003 and 2002 were $222,097 and $181,491, respectively, the amounts relating to the nine months periods ended September 30, 2003 and 2002 were $662,266 and $478,817, respectively. Amounts payable under such agreement at September 30, 2003 and December 31, 2002 were $74,519 and $63,866, respectively.

In August 2003, the Company entered into a licensing agreement with a patent holder relating to utilizing a nasal spray product in the treatment of symptoms of the common cold. The Company agreed to pay the patent holder a two percent royalty on net sales of nasal spray products, less certain deductions, throughout the term of this agreement, expiring no later than April 2014. Amounts paid or payable under such agreement during the nine month period ended September 30, 2003 were $13,537, with zero in the 2002 comparable period. No amounts relating to this agreement were accrued or payable at September 30, 2003.

On August 1, 2003, an action was filed with the American Arbitration Association by Mike Foran against Innerlight, Inc., a wholly owned subsidiary of Darius International, Inc. which is a wholly owned subsidiary of the Corporation. Foran was terminated as an independent representative by Innerlight, Inc. in December, 2002. Foran claims that he is entitled to commissions and payments for an unspecified time from his termination in the amount of $10 million. On November 3rd Mike Foran submitted an Amended Claim to the American Arbitration Association adding Darius International, Inc. and the Corporation as additional party defendants to the action commenced on August 1, 2003 before the American Arbitration Association.

On November 6th an action was commenced by The Quigley Corporation, Innerlight, Inc., and Darius International, Inc. against Mike Foran in the United States District Court for the District of Utah, Central Division, seeking a declaratory judgment that The Quigley Corporation and Darius International are not parties to any arbitration agreement with Mike Foran and may not be compelled to arbitrate defendant's claims against them in arbitration. The action also requests an injunction against Mike Foran enjoining the arbitration, and a declaratory judgment that Innerlight properly terminated the agreement with Mike Foran and does not owe any further commissions or other compensation to him under its agreement with him.

The Corporation believes Foran's claims are without merit and is vigorously defending the claims. No assessment can be made as to the outcome of this action at this time.

An action was filed by Intervention, Inc. on July 2, 2002 in Contra Costa County Superior Court under the California Unfair Competition Law, Business and Professions Code, Section 17200. The Complaint claims that COLD-EEZE(R) does not contain ionic zinc and therefore does not have the unique quality the Company asserts for it. The Complaint purports to attack The Cleveland Clinic Study titled Zinc Gluconate Lozenges for Treating the Common Cold and the Dartmouth Study, Zinc Gluconate and The Common Cold, A Controlled Clinical Study. The plaintiff claims that the Dartmouth Study is not double-blind and is not randomized. The plaintiff also claims that The Cleveland Clinic Study is untrue

and deceptive because it did not conclude that patients "starting treatments" with zinc had a 42% reduction in duration of the common cold and, also, because the 42% reduction in common cold duration is not a reference to average of cold duration but rather is a reference to the reduction in median duration. There is also a claim by the plaintiff that there is an implied claim that the results in the studies have been confirmed by repetition which plaintiff contests.

On the 3rd day of July, 2003, the Contra Costa County Superior Court upon Motion of The Quigley Corporation issued a Summary Judgment in favor of The Quigley Corporation. On October 24, 2003, Intervention Inc. filed an appeal to the California Court of Appeals from the Summary Judgment issued in favor of The Quigley Corporation. The Corporation believes that Intervention Inc.'s claims are without merit and is vigorously defending the claims. No assessment can be made to the outcome of this action at this time.

NOTE 11 - RECENT ACCOUNTING PRONOUNCEMENTS

SFAS NO. 148, "ACCOUNTING FOR STOCK-BASED COMPENSATION - TRANSITION AND DISCLOSURE AN AMENDMENT OF FASB STATEMENT NO. 123" (SFAS 148)

In December 2002, the FASB issued SFAS 148 which amends SFAS 123 to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation. It also amends the disclosure provisions of SFAS 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. It also amends APB Opinion No. 28, "Interim Financial Reporting", to require disclosure about those effects in interim financial information. The Company has adopted the disclosure requirements of SFAS 148. The required disclosures are included in Note 2, Summary of Significant Accounting Policies, to the Consolidated Financial Statements.

FASB INTERPRETATION NO. 45, "GUARANTOR'S ACCOUNTING AND DISCLOSURE REQUIREMENTS FOR GUARANTEES, INCLUDING INDIRECT GUARANTEES OF INDEBTEDNESS OF OTHERS" (FIN 45)

In November 2002, the FASB issued FIN 45 which elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The disclosure requirements of FIN 45 are effective for financial statements for periods ending after December 15, 2002. The initial recognition and initial measurement provisions of FIN 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The Company has adopted the disclosure requirements of FIN 45 for the Form 10-K issued for the fiscal year ended December 31, 2002 and has adopted the initial recognition and measurement provisions for any guarantees issued or modified starting January 1, 2003.

FIN 46 WHICH CLARIFIES THE APPLICATION OF ACCOUNTING RESEARCH BULLETIN NO. 51, "CONSOLIDATED FINANCIAL STATEMENTS,"

In January 2003, the FASB issued FIN 46 which clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The disclosure requirements of FIN 46 are effective for financial statements issued after January 31, 2003. The initial recognition provisions of FIN 46 are applicable immediately to new variable interests in variable interest entities created after January 31, 2003. For a variable interest in a variable interest entity created before February 1, 2003, the initial recognition provisions of FIN 46 are to be implemented no later than the beginning of the first interim or annual reporting period beginning after June 15, 2003. The Company has determined that it does not have any variable interests in any variable interest entities. Therefore, the adoption of FIN 46 did not have a material impact on the Company's financial position or results of operations.

SFAS NO. 150, "ACCOUNTING FOR CERTAIN FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF BOTH LIABILITIES AND EQUITY." (SFAS NO. 150)

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). The provisions of SFAS No.

150 are 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 believes that the adoption of SFAS No. 150 did not have an impact on its financial position or results of operations.

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

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Report contains forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, management of growth, competition, pricing pressures on the Company's product, industry growth and general economic conditions. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. The Company undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements. Readers should carefully review the risk factors described in other documents the Company files from time to time with the Securities and Exchange Commission. The Quigley Corporation makes no representation that the US Food and Drug Administration or any other regulatory agency will grant an Investigational New Drug ("IND") or take any other action to allow its formulations to be studied or marketed. Furthermore, no claim is made that potential medicine discussed herein is safe, effective, or approved by the Food and Drug Administration.

OVERVIEW

The Quigley Corporation, (the "Company"), headquartered in Doylestown, Pennsylvania, is a leading marketer and distributor of a diversified range of health and homeopathic products and is also involved in the research and development of potential prescription products. The Company is organized into three business segments of Cold Remedy, Health and Wellness, and Ethical Pharmaceutical.

The Company's primary Cold Remedy product continues to be Cold-Eeze(R), which is marketed in lozenge, nasal spray and sugar-free tablet form. Cold-Eeze(R) is the only zinc gluconate glycine lozenge product clinically proven in two double blind studies to reduce the severity and duration of common cold symptoms. The efficacy of the lozenge was established following the publication of the second double blind study in July 1996. A 2002 retrospective study also found that the use of the Cold-Eeze(R) lozenge to treat a cold statistically reduced the use of antibiotics for respiratory illnesses by 92% when Cold-Eeze(R) is administered as a first line treatment approach to the common cold. This study also reinforces the original clinical trials, concluding that Cold-Eeze(R) reduces the median duration of a cold by four days along with suggesting that Cold-Eeze(R) is an effective means of preventing the common cold.

In May 2003, the Company announced the study findings of a prospective study, conducted at the Heritage School facility in Provo, Utah, 178 children ages 12 to 18 years were given Cold-Eeze(R) lozenges both symptomatically and prophylactically from October 5, 2001 to May 30, 2002. The study found a 54% reduction in the most frequently observed cold duration. Those subjects not receiving treatment most frequently experienced symptom duration at 11 days compared with 5 days when lozenges were administered, a reduction of 6 days.

Cold-Eeze(R) is distributed through numerous independent, chain drug and discount stores throughout the United States. The Company reports increased cold remedy revenues during 2003 compared to 2002 of 27.2%. This increase in revenues is attributable to successful product bonus programs during the current and past cold season that have been well received by the trade, increased strategic media advertising, continued support of the product at retail level through co-operative advertising activities with the trade and attention to the market place through the outsourced nationwide brokerage network under the direction of the Company's internal sales and marketing team. In addition the Company launched the Cold-EEZE(R) Cold Remedy Nasal Spray and Kidz-EEZE(TM) Sore Throat Pop during the third quarter 2003.

Revenues relating to Darius International Inc. ("Darius"), the Health and Wellness segment, increased in 2003 compared to 2002 by 47.8%. This increase was due to ongoing increases in the number of independent representatives. Additionally, the Company commenced international sales activity during the

latter part of the first quarter of 2003 with year to date revenues approximating $700,000. The Company is planning to pursue this marketing opportunity. This business segment has been effective in balancing the seasonality of the Cold Remedy segment and producing a more consistent revenue source throughout the fiscal year.

The establishment of a pharmaceutical subsidiary, Quigley Pharma Inc., ("Pharma"), Ethical Pharmaceutical, may enable the Company to diversify into the prescription drug market and ensure safe and effective distribution of important

potential new products currently under development. During 2003, Pharma continued clinical trials and study activities in various areas of interest. Resulting from this research and study activity, the Company has received a patent for compound QR333 entitled "Method and Composition for the Topical Treatment of Diabetic Neuropathy" and two patents related to compound QR334 entitled "Medicinal Composition and Method of Using It" (for Treatment of Sialorrhea and other Disorders) and "Nutritional Supplement and Methods of Using It".

The Company continues to use the resources of independent national and international brokers complementing its own personnel to represent the Company's over-the-counter products, thereby saving capital and other ongoing expenditures that would otherwise be incurred. The distribution of product relating to the direct selling segment is by means of independent representatives who are not employees of the Company.

Manufacturing for all the Company's products is accomplished by outside sources. The lozenge form is manufactured by a third party manufacturer, a significant part of this manufacturer's revenues are from the Company, with the sugar-free, nasal spray, sore throat and health and wellness products being produced by different manufacturers.

During the first nine months of 2003, the Company continued the process of the registration of the Cold-Eeze(R) products in the United Kingdom as a pharmacy drug and incurred approximately $286,949 in related expenses and is included in the research and development expense classification.

Future revenues, costs, margins, and profits will continue to be influenced by the Company's ability to maintain its manufacturing availability and capacity together with its marketing and distribution capabilities and requirements associated with the development of Pharma's potential prescription drugs in order to continue to compete on a national and international level. The continued expansion of Darius International, Inc., is dependent on the Company retaining existing independent representatives and recruiting additional representatives both internationally and within the United States; continued conformity with government regulations; a reliable information technology system capable of supporting continued growth and continued reliable sources for product and materials to satisfy consumer demand.

During 2000, the Company acquired a 60% ownership position in CPNP. In December 2002, the Board of Directors of the Company approved a plan to sell CPNP. On January 22, 2003, the Company completed the sale of the Company's 60% equity interest in CPNP to Suncoast. Results of CPNP prior to January 22, 2003 are presented as discontinued operations in the Consolidated Statements of Operations and in the Consolidated Balance Sheets.

EFFECT OF RECENT ACCOUNTING PRONOUNCEMENTS
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SFAS NO. 148, "ACCOUNTING FOR STOCK-BASED COMPENSATION - TRANSITION AND DISCLOSURE AN AMENDMENT OF FASB STATEMENT NO. 123" (SFAS 148)

In December 2002, the FASB issued SFAS 148 which amends SFAS 123 to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation. It also amends the disclosure provisions of SFAS 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. It also amends APB Opinion No. 28, "Interim Financial Reporting", to require disclosure about those effects in interim financial information. The Company has adopted the disclosure requirements of SFAS 148. The required disclosures are included in Note 2, Summary of Significant Accounting Policies, to the Consolidated Financial Statements.

FASB INTERPRETATION NO. 45, "GUARANTOR'S ACCOUNTING AND DISCLOSURE REQUIREMENTS FOR GUARANTEES, INCLUDING INDIRECT GUARANTEES OF INDEBTEDNESS OF OTHERS" (FIN 45)

In November 2002, the FASB issued FIN 45 which elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees that it

has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The disclosure requirements of FIN 45 are effective for financial statements for periods ending after December 15, 2002. The initial recognition and initial measurement provisions of FIN 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The Company has adopted the disclosure requirements of FIN 45 for this Form 10-K issued for the fiscal year ended December 31, 2002 and has adopted the initial recognition and measurement provisions for any guarantees issued or modified starting January 1, 2003.

FIN 46 WHICH CLARIFIES THE APPLICATION OF ACCOUNTING RESEARCH BULLETIN NO. 51,

"CONSOLIDATED FINANCIAL STATEMENTS,"

In January 2003, the FASB issued FIN 46 which clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The disclosure requirements of FIN 46 are effective for financial statements issued after January 31, 2003. The initial recognition provisions of FIN 46 are applicable immediately to new variable interests in variable interest entities created after January 31, 2003. For a variable interest in a variable interest entity created before February 1, 2003, the initial recognition provisions of FIN 46 are to be implemented no later than the beginning of the first interim or annual reporting period beginning after June 15, 2003. The Company has determined that it does not have any variable interests in any variable interest entities. Therefore, the adoption of FIN 46 did not have a material impact on the Company's financial position or results of operations.

SFAS NO. 150, "ACCOUNTING FOR CERTAIN FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF BOTH LIABILITIES AND EQUITY." (SFAS NO. 150)

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). The provisions of SFAS No. 150 are 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 believes that the adoption of SFAS No. 150 did not have an impact on its financial position or results of operations.

CRITICAL ACCOUNTING POLICIES
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As previously described, the Company is engaged in the development, manufacturing, and marketing of health and homeopathic products that are being offered to the general public and is also involved in the research and development of potential prescription products. Certain key accounting policies that may affect the results of the Company are the timing of revenue recognition and sales incentives (including coupons, rebates and discounts); the classification of advertising expenses; and the fact that all research and development costs are expensed as incurred. Notes to Financial Statements, Note 1, Organization and Business, describes the Company's other significant accounting policies.

REVENUE RECOGNITION

Sales are recognized at the time ownership and risk of loss is transferred to the customer, which is primarily the time the shipment is received by the customer. Sales returns and allowances are provided for in the period that the related sales are recorded. Provisions for these reserves are based on historical experience.

ADVERTISING

Advertising costs are expensed within the period to which they relate. Advertising expense is made up of media advertising, presented as part of sales and marketing expense; co-operative advertising, which is accounted for as a deduction from sales; and bonus product, which is accounted for as part of cost of sales. The level of advertising expense to be incurred is determined each period to coincide with management's sales and marketing strategies. Advertising costs incurred for the three months periods ended September 30, 2003 and 2002 were $1,120,256 and $1,324,624, the expense for the nine months periods ended September 30, 2003 and 2002 were $2,514,575 and $2,255,989, respectively. This expense item increased in the 2003 nine month reporting period due to strategic media advertising in addition to other trade related methods of advertising,

necessary to promote and support the Cold-Eeze(R) product. Included in prepaid expenses and other current assets was $65,000 and $236,875 at September 30, 2003 and December 31, 2002, respectively, relating to prepaid advertising expenses.

RESEARCH AND DEVELOPMENT

Research and development costs are charged to operations in the year incurred. Expenditures for the three months periods ended September 30, 2003 and 2002 were $1,230,245 and $666,002, respectively, expense for the nine months periods ended September 30, 2003 and 2002 were $2,599,250 and $1,897,403, respectively. Principally, research and development is part of the product research costs related to Pharma and study costs associated with Cold-Eeze(R). Expenditure for 2003 also includes study costs relating to Cold-EEZE(R) Cold Remedy Nasal Spray. Pharma is currently involved in research activity that is expected to increase significantly over time as product research and testing progresses. The Company is at the initial stages of what may be a lengthy process to develop potential

commercial prescription products.

RESULTS OF OPERATIONS
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THREE MONTHS ENDED SEPTEMBER 30, 2003 COMPARED WITH SAME PERIOD 2002

Revenues for the three months ended September 30, 2003 were $9,912,227 compared to $7,834,325 for 2002, reflecting an increase of 26.5% in 2003. Revenues in 2003 comprised $4,614,554 relating to the Cold Remedy segment and $5,297,673 from the Health and Wellness segment, compared to 2002 revenues of $3,524,663 and $4,309,662, by respective segment. Cold Remedy segment revenues have increased in 2003 resulting from successful product bonus promotion campaigns during the current and past cold season, increased strategic media advertising, continued support of the products at retail level through co-operative advertising activities with the customer and revised packaging making the product more prominent in the marketplace, along with the launch of Cold-EEZE(R) Cold Remedy Nasal Spray and Kidz-EEZE(TM) Sore Throat Pops during the third quarter 2003. Independent data indicates increasing consumer awareness and consumption of the Cold-Eeze(R) products. The Health and Wellness segment reported increased sales in 2003 of 22.9%. This segment has grown significantly due to increasing numbers of active independent representatives and the ability of the Company to make available to consumers products suitable for direct selling distribution methods. During the quarter the Health and Wellness segment recorded $478,378 in international sales due to the commencement of direct selling activity outside North America during the latter part of the first quarter of 2003. The performance of the Health and Wellness segment has resulted in relative equalization of revenues during the fiscal year rather than being influenced by the seasonal nature of the Cold Remedy segment.

Cost of sales for 2003 as a percentage of sales was 51.3%, compared to 55.3% for 2002. The decrease in the cost of sales percentage in 2003 was primarily due to the reduced cost of the 2003 product bonus program compared to the previous year's Buy One Get One free promotion, a significantly reduced royalty charge associated with Cold-EEZE(R) Cold Remedy Nasal Spray and the Kidz-EEZE(TM) Sore Throat Pop, both of which commenced shipping to the trade in the third quarter 2003. Additional costs savings were achieved in 2003 resulting from reduced procurement costs of product associated with the Health and Wellness segment together with fluctuations in the payout rates of commissions to independent representatives consistent with dynamics of a direct selling organization.

Selling, general and administrative expenses for 2003 were $3,142,401 compared to $2,775,777 in 2002. The increase in 2003 was primarily due to increased media advertising related to the Cold Remedy segment together with increases in variable costs associated with increased revenues achieved by the Health and Wellness segment in 2003.

Research and development costs in 2003 and 2002 were $1,230,245 and $666,002, respectively. Research and development study costs related to Quigley Pharma in the 2003 period were $635,911 compared to $403,411 in the comparable 2002 reporting period reflecting continued research and study costs associated with the Ethical Pharmaceutical segment and the remainder for each respective period relating to a new product of the Cold Remedy segment.

During 2003, the Company's major operating expenses of salaries, brokerage commissions, promotion, advertising, and legal costs accounted for approximately $2,069,689 (47.3%) of the total operating expenses of $4,372,646, an increase of 16.4% over the 2002 amount of $1,778,053 (51.7%) of total operating expenses of $3,441,779. The selling, general and administrative expenses related to health and wellness for 2003 and 2002 were $1,331,248 and $797,515, respectively, reflecting increased expenditure in 2003 necessary to support the significant

revenue growth of this segment. Operating expenses overall have increased between the periods for reasons stated earlier.

Revenues of CPNP (discontinued operations) for the three months periods ended September 30, 2003 and 2002 were zero and $443,574, respectively, net losses for the same periods were zero and $211,542. The results of CPNP are represented as discontinued operations in the Statements of Operations and Balance Sheets.

NINE MONTHS ENDED SEPTEMBER 30, 2003 COMPARED WITH SAME PERIOD 2002

Revenues for 2003 were $25,107,899 compared to $18,021,344 for 2002, reflecting an increase of 39.3% in 2003. Revenues in 2003 comprised $9,434,316 relating to the Cold Remedy segment and $15,673,583 from the Health and Wellness segment, compared to 2002 revenues of $7,417,168 and $10,604,176, by respective segment. The Cold Remedy and Health and Wellness segments report an increase in revenues of 27.2% and 47.8%, respectively, between the years. The 2002 Cold Remedy segment revenues included an amount for licensing fees of $148,866 as a result of the settlement of the infringement suit against Gel Tech, LLC, the developer of Zicam(TM), and Gum Tech International, Inc., its distributor as compared to zero in 2003. The reported increase in the Cold Remedy segment revenues reflects increased strategic media advertising, successful product bonus programs, continued co-operative advertising programs with the trade along with the launch of Cold-EEZE(R) Cold Remedy Nasal Spray and Kidz-EEZE(TM) Sore Throat Pops during the third quarter 2003. The direct sales Health and Wellness segment continues to recruit active independent representatives with the Company's

strategy to provide the independent representatives with products appropriate to a direct selling organization that the consumer will find beneficial.

Cost of sales for 2003 as a percentage of sales was 53.7%, compared to 57.1% for 2002. The 2003 decrease is primarily due reduced royalty costs resulting from the launch of Cold-EEZE(R) Cold Remedy Nasal Spray and Kidz-EEZE(TM) Sore Throat Pop on which a lesser royalty percentage is payable compared to the zinc gluconate glycine products, also 2003 royalty costs have been further reduced on the zinc gloconate glycine products due to the expiration of the royalty payable to the patent holder of 3% of sales collected which expired in 2002. The 2002 costs also included inventory obsolescence charges approximating $350,000 or 1.8% of sales. The cost of sales of the Health and Wellness segment has also decreased in 2003 as a result of reductions in product procurement costs.

Selling, general and administrative expenses for 2003 were $10,239,362 compared to $8,756,047 in 2002. Expenditures were higher in 2003 due to increased media advertising related to the Cold-Eeze(R) product of $519,542, costs related to the Health and Wellness segment increased by $1,482,819 between the periods necessary to support a revenue increase of 47.8% largely due to variable costs directly correlated to revenue activity. Stock promotion costs were lower in 2003 due to a $700,000 non-cash charge in 2002 resulting from the granting of warrants in consideration for consulting services.

Research and development costs in 2003 and 2002 were $2,599,250 and $1,897,403, respectively. Research and Development study costs related to the activities of Quigley Pharma increased by $592,007 between the years, with spending in 2003 on Cold-Eeze(R) clinical assignments involving the lozenge and nasal spray forms of the product remaining relatively constant compared to 2002.

During 2003, the Company's major operating expenses of salaries, brokerage commissions, promotion, advertising, and legal costs accounted for approximately $6,752,633 (52.6%) of the total operating expenses of $12,838,612, an increase of 13.5% over the 2002 amount of $5,947,481 (55.8%) of total operating expenses of $10,653,450. The selling, general and administrative expenses related to health and wellness for 2003 and 2002 were $3,591,914 and $2,109,095, respectively. The increase in the health and wellness costs reflects the variable nature of the underlying costs of this segment relative to revenue. Operating expenses overall have increased between the periods for reasons stated earlier.

Revenues of CPNP (discontinued operations) for the nine months periods ended September 30, 2003 and 2002 were $59,824, and $1,643,898, respectively, net losses for the same periods were $54,349 and $292,790. The results of CPNP are represented as discontinued operations in the Statements of Operations and Balance Sheets.

Total assets of the Company at September 30, 2003 and December 31, 2002 were $22,999,426 and $24,934,956, respectively. Working capital decreased by $1,901,687 to $14,062,262 at September 30, 2003. The primary influences on working capital during the first nine months of 2003 were: the decrease in cash balances $2,249,910, the increase in accounts receivable of $412,153 and the decrease in current liabilities of $84,207. The movements in the balance sheet are largely the result of the seasonal nature of the Cold Remedy segment together with the cash characteristics of the Health and Wellness segment.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $14,062,262 and $15,963,949 at September 30, 2003 and December 31,2002, respectively. Changes in working capital overall have been primarily due to the following items: cash balances decreased by $2,249,910; accounts receivable increased by $412,153 due to seasonal fluctuations; accrued advertising has decreased by $661,924 as a result of the seasonality of the cold remedy products and related media advertising; royalties and sales commissions liabilities decreased by $154,776 related to the cold-season cycle; and other current liabilities increased by $1,090,619. Total cash balances at September 30, 2003 were $10,647,170 compared to $12,897,080 at December 31, 2002, the reduction in cash was due to the movements in working capital and the 2003 net loss of $1,867,573.

Management believes that its revised strategy to establish Cold-Eeze(R) as a recognized brand name, its broader range of products, its diversified distribution methods as it relates to the Health and Wellness business segment, adequate manufacturing capacity, growth in international sales together with its current working capital should provide an internal source of capital to fund the Company's business operations. In addition to anticipated funding from operations, the Company and its subsidiaries may in the short and long term raise capital through the issuance of equity securities to finance anticipated growth.

Management is not aware of any trends, events or uncertainties that have or are reasonably likely to have a material negative impact upon the Company's (a) short-term or long-term liquidity, or (b) net sales, revenues or income from operations. Any challenge to the Company's patent rights could have a material adverse effect on future liquidity of the Company; however, the Company is not aware of any condition that would make such an event probable.

Management believes that cash generated from operations along with its current

cash balances will be sufficient to finance working capital and capital expenditure requirements for at least the next twelve months.

CAPITAL EXPENDITURES

Since the Company's products are manufactured by outside sources, capital expenditures during the remainder of 2003 are not anticipated to be material.

IMPACT OF INFLATION

The Company is subject to normal inflationary trends and anticipates that any increased costs should be passed on to its customers.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable

ITEM 4. CONTROLS AND PROCEDURES

Based on their evaluation, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934) are adequately designed to ensure that the information required to be disclosed by the Company in reports that it files or submits under the Securities and Exchange Act of 1934, as amended, have been recorded processed and summarized in a timely basis. There have been no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

MIKE FORAN VS. INNERLIGHT, INC., DARIUS INTERNATIONAL, INC., AND THE QUIGLEY CORPORATION

On August 1, 2003, an action was filed with the American Arbitration Association by Mike Foran against Innerlight, Inc., a wholly owned subsidiary of Darius International, Inc. which is a wholly owned subsidiary of the Corporation. Foran was terminated as an independent representative by Innerlight, Inc. in December, 2002. Foran claims that he is entitled to commissions and payments for an unspecified time from his termination in the amount of $10 million. On November 3rd Mike Foran submitted an Amended Claim to the American Arbitration Association adding Darius International, Inc. and the Corporation as additional party defendants to the action commenced on August 1, 2003 before the American Arbitration Association.

On November 6, 2003, an action was commenced by The Quigley Corporation, Innerlight, Inc., and Darius International, Inc. against Mike Foran in the United States District Court for the District of Utah, Central Division, seeking a declaratory judgment that The Quigley Corporation and Darius International are not parties to any arbitration agreement with Mike Foran and may not be compelled to arbitrate defendant's claims against them in arbitration. The action also requests an injunction against Mike Foran enjoining the arbitration, and a declaratory judgment that Innerlight properly terminated the agreement with Mike Foran and does not owe any further commissions or other compensation to him under its agreement with him.

The Corporation believes Foran's claims are without merit and is vigorously defending the claims. No assessment can be made as to the outcome of this action at this time.

INTERVENTION, INC.

An action was filed by Intervention, Inc. on July 2, 2002 in Contra Costa County Superior Court under the California Unfair Competition Law, Business and Professions Code, Section 17200. The Complaint claims that COLD-EEZE(R) does not contain ionic zinc and therefore does not have the unique quality the Company asserts for it. The Complaint purports to attack The Cleveland Clinic Study titled Zinc Gluconate Lozenges for Treating the Common Cold and the Dartmouth Study, Zinc Gluconate and The Common Cold, A Controlled Clinical Study. The plaintiff claims that the Dartmouth Study is not double-blind and is not randomized. The plaintiff also claims that The Cleveland Clinic Study is untrue and deceptive because it did not conclude that patients "starting treatments" with zinc had a 42% reduction in duration of the common cold and, also, because the 42% reduction in common cold duration is not a reference to average of cold duration but rather is a reference to the reduction in median duration. There is also a claim by the plaintiff that there is an implied claim that the results in the studies have been confirmed by repetition which plaintiff contests.

On the 3rd day of July, 2003, the Contra Costa County Superior Court upon Motion of The Quigley Corporation issued a Summary Judgment in favor of The Quigley

Corporation. On October 24, 2003, Intervention Inc. filed an appeal to the California Court of Appeals from the Summary Judgment issued in favor of The Quigley Corporation. The Corporation believes that Intervention Inc.'s claims are without merit and is vigorously defending the claims. No assessment can be made to the outcome of this action at this time.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

(1)	31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(2)	31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(3)	32.1	Certification by the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(4)	32.2	Certification by the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) The Company reported under:

Item 9. Regulation FD Disclosure

On July 24, 2003, The Quigley Corporation announced its results for the quarter ended June 30, 2003. The information on Form 8-K was furnished pursuant to Item 12 of Form 8-K as directed by the U.S. Securities and Exchange Commission in Release No. 34-47583.

There were no other Current Reports on Form 8-K filed during the quarter ended September 30, 2003.

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: November 10, 2003

Exhibit 31.1

THE QUIGLEY CORPORATION
a Nevada corporation
CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Section 302 Certification

I, Guy J. Quigley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Quigley Corporation, a Nevada corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flow of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (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: November 10, 2003

By: /s/ Guy J. Quigley

Guy J. Quigley
Chief Executive Officer

Exhibit 31.2

THE QUIGLEY CORPORATION
a Nevada corporation
CERTIFICATION OF CHIEF FINANCIAL OFFICER

Section 302 Certification

I, George J. Longo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Quigley Corporation, a Nevada corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flow of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (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: November 10, 2003

By: /s/ George J. Longo

George J. Longo
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.ss.1350)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss.1350), the undersigned, Guy J. Quigley, the Chief Executive Officer of The Quigley Corporation, a Nevada corporation (the "Company"), does hereby certify, to his knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2003 of the Company (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Guy J. Quigley

Guy J. Quigley
Chief Executive Officer
November 10, 2003

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.ss.1350)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss.1350), the undersigned, George J. Longo, the Chief Financial Officer of The Quigley Corporation, a Nevada corporation (the "Company"), does hereby certify, to his knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2003 of the Company (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ George J. Longo

George J. Longo
Chief Financial Officer
November 10, 2003