UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

OR

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

For the transition period from _____ to _____

Commission file number 01-21617

THE QUIGLEY CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

NEVADA	23-2577138
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
KELLS BUILDING, 621 SHADY RETREAT ROAD, P.O. BOX 1349, DOYLESTOWN, PA	18901
(Address of Principal Executive Offices)	(Zip Code)

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

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

Title of each class	Name of each exchange on which registered
COMMON STOCK, $.0005 PAR VALUE PER SHARE	NASDAQ GLOBAL MARKET
COMMON SHARE PURCHASE RIGHTS	NASDAQ GLOBAL MARKET

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates was $45,422,959 as of June 30, 2008, based on the closing price of the common stock on The NASDAQ Global Market.

Number of shares of each of the registrant's classes of securities outstanding on March 6, 2009:

Common stock, $.0005 par value per share: 12,908,383.
Common share purchase rights: 0

DOCUMENTS INCORPORATED BY REFERENCE

Information set forth in Part III of this report is incorporated by reference from the registrant's proxy statement for the 2009 annual meeting of stockholders.

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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 products, 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.

Certain Risk Factors

The Quigley Corporation makes no representation that the United States Food and Drug Administration ("FDA") 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/and for any granted IND to be marketed. Furthermore, no claim is made that potential medicine discussed herein is safe, effective, or approved by the FDA. Additionally, data that demonstrates activity or effectiveness in animals or in vitro tests do not necessarily mean such formula test compound, referenced herein, will be effective in humans. Safety and effectiveness in humans will have to be demonstrated by means of adequate and well controlled clinical studies before the clinical significance of the formula test compound is known. Readers should carefully review the risk factors described in other sections of the filing as well as in other documents the Company files from time to time with the Securities and Exchange Commission ("SEC").

PART I

ITEM 1. BUSINESS

Business Development

The Company, headquartered in Doylestown, Pennsylvania, is a leading manufacturer, marketer and distributor of a diversified range of homeopathic and health products which comprise the Cold Remedy and Contract Manufacturing segments. The Company is also involved in the research and development of potential natural base health products, including, but not limited to, prescription medicines along with supplements and cosmeceuticals for human and veterinary use, which comprise the Ethical Pharmaceutical segment.

Cold-EezeÒ is one of the Company's key cold remedy OTC products whose benefits are derived from its proprietary zinc formulation. The product's effectiveness has been substantiated in two double-blind clinical studies proving that Cold-EezeÒ reduces the duration and severity of the common cold symptoms by nearly half. The Cold Remedy segment, where Cold-EezeÒ is represented, is reviewed regularly to realize any new consumer opportunities in flavor, convenience and packaging to help improve market share for the Cold-EezeÒ product. Additionally, the Company is constantly active in exploring and developing new products consistent with its brand image and standard of proven consumer benefit.

Effective October 1, 2004, the Company acquired substantially all of the assets of JoEl, Inc., the previous manufacturer of the Cold-EezeÒ lozenge product assuring a future manufacturing capability necessary to support the business of the Cold Remedy segment. This manufacturing entity, now called Quigley Manufacturing Inc. ("QMI"), a wholly-owned subsidiary of the Company operates from two locations, Elizabethtown, PA, and Lebanon, PA. The location at Lebanon manufacturers the Company's Cold-Eeze lozenge product, and is responsible for warehousing, shipping and such operational tasks for this product and related cold remedy products. The Elizabethtown facility produces a variety of hard and organic candy for sale to third party customers in addition to performing contract manufacturing activities for non-related entities. On February 2, 2009, the Company announced its intention to close the Elizabethtown location of QMI and discontinue the hard candy business resulting in the consolidation of manufacturing operations at the Lebanon location. This consolidation will have no impact on the production or distribution of the Cold-EezeÒ brand of cold remedy products.

In January 2001, the Company formed an Ethical Pharmaceutical segment, Quigley Pharma Inc. ("Pharma"), that is underthe direction of its Executive Vice President and Chairman of its Medical Advisory Committee. Pharma was formed for the purpose of developing potential natural base health products, including, but not limited to, prescription medicines along with supplements and cosmeceuticals for human and veterinary use. Pharma is currently undergoing research and development activity in compliance with regulatory requirements. At this time, thirteen U.S. and twenty foreign patents have been issued and assigned to the Company resulting from research activity of Pharma. In certain instances where a critical mass of positive scientific data has been established for compounds that the Company does not envision bringing to market, or is unable to fund ongoing research, it may decide to sell or license its technology.

On February 29, 2008, the Company sold Darius International Inc. ("Darius") to InnerLight Holdings, Inc., whose major shareholder is Mr. Kevin P. Brogan, the then president of Darius. Darius marketed health and wellness products through its wholly-owned subsidiary, Innerlight Inc. that constituted the Health and Wellness segment of the Company. The terms of the sale agreement included a cash purchase price of $1,000,000 by InnerLight Holdings, Inc. for the stock of Darius and its subsidiaries without guarantees, warranties or indemnifications. See discussion in Note 3 to Consolidated Financial Statements.

Description of Business Operations

Since its inception, the Company has continued to conduct research and development into various types of health-related supplements and homeopathic cold remedies. Initially, the Company's business was the marketing and distribution of a line of nutritious health supplements (hereinafter "Nutri-Bars"). During 1995, the Company reduced the marketing emphasis of Nutri-Bars and commenced focusing its research and development and marketing resources on the Company's patented Cold-EezeÒ zinc gluconate glycine cold relief products.

Prior to the fourth quarter 1996, the Company had minimal revenues and as a result suffered continued losses due to ongoing research and development and operating expenses. However, 1997 resulted in significant revenue increases as a result of the Company's nationwide marketing campaign and the increased public awareness through media public service announcements of the Cold-EezeÒ lozenge product.

Since June 1996, the Cold Remedy segment has concentrated its business operations on the manufacturing, marketing and development of its proprietary Cold-EezeÒ cold-remedy lozenge products and on development of various product extensions. These products are based upon a proprietary zinc gluconate glycine formula, which has been proven to reduce the duration and severity of common cold symptoms. The Quigley Corporation acquired worldwide manufacturing and distribution rights to this formulation in 1992 and commenced national marketing in 1996. The demand for the Company's cold-remedy products is seasonal, where the third and fourth quarters generally represent the largest sales volume. Prior to October 1, 2004, the manufacture of the lozenge form of Cold-EezeÒ was outsourced. Since that date, the lozenge form of Cold-EezeÒ has been manufactured by a subsidiary of the Company, QMI. On February 2, 2009, the Company announced its intention to close the Elizabethtown location of QMI and discontinue the hard candy business resulting in the consolidation of manufacturing operations at the Lebanon location. This consolidation will have no impact on the production or distribution of the Cold-EezeÒ brand of cold remedy products, which will continue to be produced and distributed from the Lebanon, PA location.

Pharma is currently involved in the lengthy process of conducting research and development on certain of its patented formulations in compliance with FDA regulations required for bringing prescriptions and botanical drugs to market. The Company is in the initial stages of what may be a lengthy process to develop these patent applications into potential commercial products.

On February 29, 2008, the Company sold Darius to InnerLight Holdings, Inc., whose major shareholder is Mr. Kevin P. Brogan, the then president of Darius. Darius marketed health and wellness products through its wholly-owned subsidiary, Innerlight Inc. that constituted the Health and Wellness segment of the Company. The terms of the sale agreement included a cash purchase price of $1,000,000 by InnerLight Holdings, Inc. for the stock of Darius and its subsidiaries without guarantees, warranties or indemnifications. See discussion in Note 3 to Consolidated Financial Statements.

In 2008, 2007 and 2006, approximately 0% of the Company's net sales, for all periods, were related to international markets.

Financial information regarding the Company's operating segments is set forth in Item 8, Notes to Financial Statements, Note 16 – Segment Information.

Products

Cold-Remedy Products

In May 1992, the Company entered into an exclusive agreement for worldwide representation, manufacturing, marketingof Cold-EezeÒ products in the United States. Cold-EezeÒ, a zinc gluconate glycine formulation (ZIGG™), is an over-the-counter consumer product used to reduce the duration and severity of the common cold and is available in lozenge, sugar-free tablet and gum form. The Company has substantiated the effectiveness of Cold-EezeÒ through a variety of studies. 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, which commenced at the *Cleveland Clinic Foundation* on October 3, 1994, were published. 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 common cold symptoms.

In April 2002, the Company announced the statistical results of a retrospective clinical adolescent study at the Heritage School facility in Provo, Utah that suggests that Cold-EezeÒ is also an effective means of preventing the common cold and statistically (a) lessens the number of colds an individual suffers per year, reducing the median from 1.5 to zero and (b) reduces the use of antibiotics for respiratory illnesses from 39.3% to 3.0% when Cold-EezeÒ is administered as a first line treatment approach to the common cold.

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-EezeÒ 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 findings of a prospective study, conducted at the Heritage School facility in Provo, Utah, in which 178 children, ages 12 to 18 years, were given Cold-EezeÒ 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 of 11 days compared with 5 days when Cold-EezeÒ lozenges were administered, a reduction of 6 days.

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® is a homeopathic remedy that is subject to regulations by various federal, state and local agencies, including the United States Food and Drug Administration ("FDA") and the Homeopathic Pharmacopoeia of the United States.

Contract Manufacturing

From October 1, 2004, QMI has continued to produce lozenge product along with performing such operational tasks as warehousing and shipping the Company's Cold-EezeÒ products. In addition to that function, QMI produces a variety of hard and organic candy for sale to third party customers in addition to performing contract manufacturing activities for non-related entities. QMI is an FDA-approved facility.

On February 2, 2009, the Company announced its intention to close the Elizabethtown location of QMI and discontinue the hard candy business resulting in the consolidation of manufacturing operations at the Lebanon location. This consolidation will have no impact on the production or distribution of the Cold-EezeÒ brand of cold remedy products.

Ethical Pharmaceutical

Pharma's current activity is the research and development of potential natural base health products, including, but not limited to, prescription medicines along with supplements and cosmeceuticals for human and veterinary use. 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 potential synergistic benefits of combining isolated active constituents and whole plant components. The Company will search for new natural sources of medicinal substances from plants and fungi from around the world while also investigating the use of traditional and historic medicinals and therapeutics.

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. Additionally, the operations of the Company contribute to the current research and development expenditures of the Ethical Pharmaceutical segment. In addition to the funding from operations, the Company may in the short and long term raise capital through the issuance of equity securities or secure other financing resources to support such research. As research progresses on certain formulations, expenditures of the Pharma segment will require substantial financial support and would necessitate the consideration of other approaches such as, licensing or partnership arrangements that meet the Company's long term goals and objectives. Ultimately, should internal working capital or internal funding be insufficient, there is no guarantee that other financing resources will become available, thereby deferring future growth and development of certain formulations.

Patents and chronological summary of QR formulations, which may or may not be areas of current 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 5, 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 14, 2022.

- A Patent (No. 6,753,325 B2) entitled "Composition and Method for Prevention, Reduction and Treatment of Radiation Dermatitis," a composition for preventing, reducing or treating radiation dermatitis. The patent extends through November 5, 2021.

- A Patent (No. 6,827,945 B2) entitled "Nutritional Supplements and Method of Using Same" for a method for treating at least one symptom of arthritis. The patent extends through April 22, 2023.

- A Patent (No. 7,083,813 B2) entitled "Methods for The Treatment of Peripheral Neural and Vascular Ailments." The patent extends through August 4, 2023.

- A Patent (No. 7,166,435 B2) entitled "Compositions and Methods for Reducing the Tranmissivity of Illnesses." This patent will provide additional protection to an existing composition patent (number 6,592,896), which the Company received in July 2003 and will support on-going investigations and potential commercialization opportunities. The Company will be continuing its studies to test the effects of the referenced compound against avian flu and human influenza. The patent extends through November 5, 2021.

- A Patent (No. 7,175,987 B2) entitled "Compositions and Methods for The Treatment of Herpes." The patent extends through November 5, 2021.

- A Patent (No. 7,396,546 B2) entitled "Anti-Microbial Compositions and Methods of Using Same" The patent extends through August 6, 2021.

- A Patent (No. 7,399,783 B2) entitled "Methods for the Treatment of Scar Tissue." The patent extends through September 4, 2026.

- A Patent (No. 7,405,046 B2) entitled "Compositions and Methods for Treatment of Rhinovirus." The patent extends through August 6, 2021.

- A Patent (No. 7,410,659 B2) entitled "Methods for the Treatment of Peripheral Neural and Vascular Ailments." The patent extends through November 6, 2022.

- A Patent (No. 7,435,725 B2) entitled "Oral Compositions and Methods for Prevention, Reduction and Treatment of Radiation Injury." The patent extends through January 14, 2022.
- A Mexican Patent (No. 236311) entitled "Method and Composition for the Treatment of Diabetic Neuropathy." The patent extends through December 18, 2020.
- A Mexican Patent (No. 259329) entitled "Nutritional Supplements and Methods for Prevention, Reduction and Treatment of Radiation Injury" the patent extends through April 30, 2022.
- A New Zealand Patent (No. 533439) entitled "Methods for The Treatment of Peripheral Neural and Vascular Ailments." The patent extends through November 6, 2022.
- A New Zealand Patent (No. 526041) entitled "Method and Composition for the Treatment of Diabetic Neuropathy." The patent extends through December 18, 2021.
- A New Zealand Patent (No. 530187) entitled "Nutritional Supplements and Methods of Using Same." The patent extends through August 6, 2022.
- A New Zealand Patent (No. 537821) entitled "Anti-Microbial Compositions and Methods of Using Same." The patent extends through July 23, 2023.
- A New Zealand Patent (No. 532775) entitled "Topical Compositions and Methods for Treatment of Adverse Effects of Ionizing Radiation," The patent extends through November 6, 2022.
- An Australian Patent (No. 2002231095) entitled "Method and Composition for the Treatment of Diabetic Neuropathy." The patent extends through December 18, 2021.
- An Australian Patent (No. 2002352501) entitled "Method for The Treatment of Peripheral Neural and Vascular Ailments." The patent extends through November 5, 2022.
- An Australian Patent (No. 2002232464) entitled "Nutritional Supplements and Methods of Using Same." The patent extends through August 5, 2022.
- An Australian Patent (No. 2002365155) "Topical Compositions and Methods for Treatment of Adverse Effects of Ionizing Radiation," the patent extends through November 5, 2022.
- An Australian Patent (No. 2002309615) "Nutritional Supplements and Methods for Prevention, Reduction and Treatment of Radiation Injury" the patent extends through April 30, 2022.
- A South African Patent (No. 2003/4247) entitled "Methods and Composition for the Treatment of Diabetic Neuropathy." The patent extends through December 18, 2021.
- A South African Patent (No. 2004/3364) "Nutritional Supplements and Methods for Prevention, Reduction and Treatment of Radiation Injury" the patent extends through May 1, 2022.
- A South African Patent (No. 2003/9802) entitled "Nutritional Supplements and Methods of Using Same" for a method for treating at least one symptom of arthritis. The patent extends through August 5, 2022.
- A South African Patent (No. 2004/4614) entitled "Methods for The Treatment of Peripheral Neural and Vascular Ailments." The patent extends through November 5, 2022.
- A South African Patent (No. 2005/0517) entitled "Anti-Microbial Compositions & Methods for Using Same," the patent extends through July 23, 2023.
- A South African Patent (No. 2004/3365) "Topical Compositions and Methods for Treatment of Adverse Effects of Ionizing Radiation," the patent extends through November 5, 2022.
- An Israeli Patent (No. 159357) entitled "Nutritional Supplements and Methods of Using Same," the patent extends through August 6, 2022.
- An Indian Patent (No. 00004/MUMP/2004) entitled "A Nutritional Supplement." The patent extends through August 6, 2022.

QR-333 – In April 2002, the Company initiated a Proof of Concept Study in France for treatment of diabetic neuropathy, which was concluded in 2003. In April 2003, the Company announced that an independently monitored analysis of the Proof of Concept Study concluded that subjects using this formulation had 67% of their symptoms improve, suggesting efficacy. In March 2004, the Company announced that it had completed its first meeting at the FDA prior to submitting the Company's IND application for the relief of symptoms of diabetic symmetrical peripheral neuropathy. The FDA's pre-IND meeting programs are designed to provide sponsors with advance guidance and input on drug development programs. In September 2005, the Company announced that a preliminary report of its topical compound for the treatment of diabetic neuropathy was recently featured in the *Journal of Diabetes and Its Complication.* Authored by Dr. C. LeFante and Dr. P. Valensi, the article appeared in the June 1, 2005 issue, and included findings that showed the compound reduced the severity of numbness, and irritation from baseline values. In October 2005, the Company announced the results of pre-clinical toxicology studies that showed no irritation, photo toxicity, contact hypersensitivity or photo allergy when applied topically to hairless guinea pigs and another study that showed no difference in the dermal response of the compound or placebo when applied to Gottingen Minipigs. (Both animal models are suggested for the evaluation of topical drugs, by the FDA). In March 2006, the Company announced the filing of an IND application with the FDA for its topical compound for the treatment of Diabetic Peripheral Neuropathy. This filing allowed the Company to begin human clinical trials following a 30-day review period. If no further comments were forthcoming from the FDA, studies with human subjects could commence pending the availability of study drug. This application included a compilation of all of the supporting development data and regulatory documentation required to file an IND application with the FDA. In April 2006, upon FDA approval for its IND, the Company announced its intent to commence human studies on its formulation.

The Company also announced that in anticipation of receiving this IND, it had previously held its investigators meeting to organize its multi-center Phase II (b) trials. This would allow the Company to begin these trials as soon as study drug is available.

In May 2006, the Company announced that it had begun screening patients to start testing their investigational new drug QR-333 and patients suffering from diabetic peripheral neuropathy would be given doses in an escalating fashion to provide pharmacokinetics data.

In September 2006, the Company announced that the results from its human study, titled "Single Center, Dose Escalating, Safety, Tolerability, And Pharmacokinetics Study Of QR-333 In Subjects With Diabetic Peripheral Neuropathy", demonstrated that QR-333 can be administered safely to patients suffering from diabetic peripheral neuropathy and it would proceed to conducting Phase II (b) clinical trials. The essential CMC (Chemistry Manufacturing and Controls) stage would provide the Company with the necessary information needed to produce larger quantities of drug for the Phase II (b) trial involving approximately 180 patients.

The pharmacokinetics trial was the first study in the U.S. conducted under the FDA issued IND. The positive data showed that QR-333 is safe, it is not systemically absorbed and it is well tolerated after multiple doses. These findings are consistent with prior animal toxicity data and the human Proof of Concept study performed in France.

In November 2006, the Company announced that patient enrollment in a Phase II (b) multi center clinical study of QR-333 for the treatment of symptomatic Diabetic Peripheral Neuropathy (DPN) had commenced. The Phase II (b) trial will evaluate the safety and efficacy of QR-333 applied three times daily compared to placebo-treated patients over 12 weeks. Efficacy will be determined by Symptom Assessment Scores, a Visual Analogy Scale (VAS), Quality of Life and Sleep Questionnaires. Safety will be determined by medical history, physical examination, vital signs, 12-lead ECG, laboratory tests and nerve conduction studies. The study will involve approximately 140 randomized male and female patients with Type 1 & 2 diabetes, as defined by the ADA (American Diabetes Association) and distal symmetric diabetic polyneuropathy.

The Study Chairman is Dr. Philip Raskin, Professor of Medicine University of Texas Southwestern Medical Center at Dallas,` Texas. The study protocol was approved by the FDA as a part of Pharma's IND submission and has been approved by the required Investigational Review Boards. The completion of the study is dependent upon enrollment rates that may affect the overall length of the study and the communication of its results.

In September 2007, the Company issued an update on a Phase II (b) Clinical Study of QR-333 on Diabetic Peripheral Neuropathy. The update on the study noted that over 100 subjects have been enrolled, 52 subjects have completed treatment and over 225 subjects have been screened for the Phase II (b) study designed to evaluate the safety and efficacy of the topical formulation on subjects with diabetic peripheral neuropathy. Subject screening and enrollment will continue to ensure an approximately 140 evaluable patient study population. Once enrolled, subject treatment time is 12 weeks. To date the in-progress safety profile for this study has been consistent with the findings from the favorable safety results of the previous human proof of concept study conducted in France. Subsequently, in March 2008, the Company indicated that the number of subjects increased in the study.

In November 2008, the Company announced that the last subject in the Phase IIb study would complete treatment at the end November 2008 and the study is in the final stage of data collection, evaluation and study conclusions. The Company, after collecting all the patient information from 21 study centers and conferring with its panel of experts on the data, will draft and report study conclusions, as they are available.

QR-448(a) – In May 2008, the Company announced positive results from a study conducted in chickens to evaluate the anti-viral activity of its compound QR448(a). The compound was administered to chicks that had been infected with Infectious Bronchitis Virus (IBV). The data from the study indicated that QR448(a) is efficacious against an IBV challenge in two week old specific pathogen free (SPF) chicks, confirming previous results indicating that treatment with QR448(a) before or after viral exposure has the potential to lessen or prevent disease.

The Company initiated its investigations into the effectiveness of this compound based on feedback from poultry industry leaders who expressed an increasing need for additional products to combat IBV. With the completion of this latest study and the current dossier of data, the Company plans to solicit the poultry industry for additional guidance and potential interest and opportunities for developing this compound jointly toward commercialization.

In September 2008, the Company announced successful results from a follow up study conducted with its veterinary anti-viral compound QR448(a). The Study was designed to determine the duration of the anti-viral effect of QR448(a) against IBV in commercial broiler chickens, a consumer meat type bird. Results demonstrate longer duration of protection from infectious bronchitis and reduction of clinical signs in chickens. Additionally, in September 2008, the Company announced that the anti-viral compound successfully prevents transmission of infectious bronchitis in chickens. Veterinary poultry products industry experts and those familiar with prevention and control of IBV recognize that abating transmission is perhaps one of the most important ways to economically prevent, control and manage potential losses due to IBV outbreaks.

The formulation was initially identified as QR441(a) and for its anti-viral activity against Highly Pathogenic Avian Influenza H5N1.

QR-336 – In April 2004, the Company announced the results of a preliminary, pre-clinical animal study which measured the effect of its proprietary patent applied for formulation against ionizing (nuclear) radiation. This study determined that parenteral (injection) administration of the study compound was protective against the effects of a lethal, whole body ionizing radiation dose in a mouse model. This compound is being investigated to potentially reduce the effects of radiation exposure on humans.

In April 2006, the Company announced that it signed an agreement with Dr. William H. McBride, the Vice Chair of Research, Department of Oncology at UCLA to help develop an appropriate animal model radio protective research program for QR-336 to comply with New Food and Drug Administration animal efficacy rules for radio-protective pharmacological compounds.

In October 2006, the Company announced that it had received significant data identifying 50 microliters as the least toxic and most effective radiation protection dose in mice when administered ip (intraperitoneal), po (by mouth) or sc (under the skin) prior to radiation exposure. These experiments were essential for providing the Company with data to optimize the formulation for efficacy and route of administration, which is required for filing under the FDA's "Animal Efficacy Rule".

QR-337 – In September 2003, the Company announced its intention to file for permission to study its patent pending potential treatment for psoriasis and other skin disorders. Continued testing will therefore have to be conducted under an IND application following positive preliminary results.

QR-435 – In May 2004, the Company announced that an intranasal spray application of the anti-viral test compound demonstrated efficacy by significantly reducing the severity of illness in ferrets that had been infected with the Influenza A virus. In pre-clinical studies, the antiviral formulation demonstrates antiviral activity against Ocular and Genital Herpes, indicating a new research and development path for the versatile compound. The Company is pleased with the progress and indicated that continued research is required to confirm the compound's safety and efficacy profiles.

In May 2006, the Company announced that it would begin a series of studies to evaluate the ocular antiviral efficacy and toxicity of its naturally-derived topical compound QR-435. Studies will be completed at The Campbell Ophthalmic Microbiology Laboratory at the University of Pittsburgh in the same lab where previous successful in vitro studies of QR-435 were performed.

In December 2006, the Company announced that a series of studies were conducted on the advice of Campbell Laboratories, University of Pittsburgh, to assess QR-435 (Pharma's broad spectrum anti-viral) potential for treating Herpes Keratitis.

While the in-vitro studies were very successful at killing the herpes virus on direct contact, the HSV-1/NZW rabbit keratitis model study showed that the compound, in its aqueous form, did not remain in the eye long enough to penetrate the corneal epithelial cells where the virus resides in an infection. The HSV-1/NZW rabbit keratitis model is a recognized standard for evaluating potential therapeutic agents in this class and is only utilized based on prior positive experimentation, as was the case.

Pharma may continue to pursue research and development objectives of this compound in the treatment of respiratory viruses on the strength of prior successful in-vitro and ferret model in-vivo studies. The Company's naturally derived formula has shown significant antiviral properties against various strains of H3N2 and H5N1 Influenza viruses in these studies.

QR-437 – In January 2004, the Company reported that its compound, which was demonstrating antiviral activity, had shown virucidal and virustatic activity against the strain 3B of the Human Immunodeficiency Virus Type 1 (HIV-1) in an in-vitro study. Additionally, the Company decided that the derivative compound of the anti-viral formulation previously found to be effective for treating Sialorrhea would probably postpone further development on the Sialorrhea indication and concentrate on further qualification and development of the anti-viral capabilities of the compound in humans.

QR-439 – In December 2003, the Company announced positive test results of a preliminary independent in vitro study indicating that a test compound of the Company previously tested on the Influenza virus showed "significant virucidal activity against a strain of the Severe Acute Respiratory Syndrome (SARS) virus."

In January 2004, the Company announced that it would conduct two further studies evaluating the compound which had shown activity against Influenza and SARS. The first study was intended to repeat the previously announced results, which demonstrated the compound to be 100 percent effective in preventing non-infected ferrets in close proximity to an infected ferret from becoming infected with the Influenza A virus. The second study was a dose ranging study on the test compound. Upon dosage determination and confirmation results from these forthcoming animal model studies, a human proof of concept study using a virus challenge with Influenza A virus in a quarantine unit would be a viable next step.

QR-440 (a) – The Company received an additional Investigational New Animal Drug (INAD) number from the Center for Veterinary Medicine of the FDA. In previous studies, QR-440 has been shown to reduce inflammation and also suggests possible disease-modifying potential.

QR-441(a) – In November 2005, the Company was assigned nine INADs for a broad anti-viral agent by the Center for Veterinary Medicine of the FDA. Eight of the INADs are for investigating the compound use against avian flu H5N1 virus in chickens, turkeys, ducks, pigs, horses, dogs, cats and non-food birds. In January 2006, a ninth INAD was assigned for investigating its compound for treating arthritis in dogs. In March 2006, the Company announced that it is planning a series of controlled experiments designed to test its all natural broad spectrum anti-viral compound in poultry stocks. The Company also announced that Dr. Timothy S. Cummings, MS, DVM, ACPV Clinical Poultry Professor at the College of Veterinary Medicine at Mississippi State University and Thomas G. Voss, Ph.D. Assistant Professor Tulane University School of Medicine will be assisting the Company in the development of the INAD bird challenge studies.

In July 2006, the Company announced that it has obtained positive results that support Pharma's continued progress in developing the natural broad spectrum anti-viral QR441(a) for use in preventing the spread of avian flu in poultry stocks. The results of the healthy chicken medical feed study confirmed that food or water dose forms provide an opportunity for potential commercialization if the compound demonstrates efficacy within these dose forms. The results clearly showed that the chickens tolerated and consumed all concentrations of QR441 (a) in the medicated feed. They also tolerated and consumed the low concentration of drug in the medicated water.

In January 2007, the Company announced positive results from a study evaluating its anti-viral compound QR-441(a) in embryonating egg and VERO E6 cell test models. The preliminary study demonstrated QR-441(a) as a potential antiviral agent in reducing Infectious Bronchitis and New Castle Disease, two viral poultry diseases that have a significant economic impact to the poultry industry on an annual basis. Previous in vitro studies have demonstrated that QR-441(a) to be a potent antiviral agent against H5N1 (Avian Flu).

In February 2007, the Company announced that it had signed an agreement with the State of Israel Ministry of Agriculture & Rural Development (MOAG) and the Kimron Veterinary Institute to conduct a clinical trial testing the anti-viral capacity of the Company's compound QR-441(a) administered as a medical feed and water to chickens exposed to HPAI (Highly Pathogenic Avian Influenza) H5N1.

If successful this study could potentially provide data on the efficacy of QR-441(a) in preventing the infection of food grade poultry through the use of formulated feed and water. Positive data could be used to continue the development of the compound in the U.S with guidance from the FDA under the INAD's issued to the Company in 2005 and might also be useful for development outside the United States, where the impact of disease has already been felt. See also QR-448(a).

QR-443 – In August 2006, the Company announced that it had obtained positive results for its QR-443 compound for the treatment of Cachexia. Cachexia is an extremely debilitating and life threatening, wasting syndrome associated with chronic diseases such as cancer, AIDS, chronic renal failure, COPD and rheumatoid arthritis, where inflammation has a significant impact and patients' experience loss of weight, muscle atrophy, fatigue, weakness and decreased appetite. The results of an animal study found a 75% efficacy rate in the treatment of mice with this condition.

In January 2007, the Company announced that it had completed a preliminary follow up Cachexia study, evaluating weight loss in mice. The tumor burden Cachexia model study concluded that QR-443 was as effective in delaying the progression of Cachexia when given orally as it had been shown to be when administered intra-peritoneally in a previous study.

The new data compliments the previous study results demonstrating a correlation between effectiveness and the frequency of administration of the QR-443 compound.

On June 20, 2007, the Company announced that it had completed a follow-up study to evaluate the impact of QR-443 on levels of a pro-inflammatory cytokine Interleukin-6 (IL-6) in a cachexia model. This new data concluded that responding mice had lower levels of serum IL-6 when administered QR-443 orally than mice that received placebo. This reduction in IL-6 suggests a method of action for the delayed onset and reduced severity of cachexia observed in this study as well as the previously conducted cachexia model study.

QR-449 – In July 2007, the Company announced that it had initiated a human clinical safety trial to evaluate the effects of QR-449 on subjects with Metabolic Syndrome. The primary objectives for the studies are to determine the safety of QR-449 when administered in a range dosing fashion and determine the effects of QR-449 on metabolic imbalances.

QR-340 – On February 24, 2009, the Quigley Corporation announced that it had signed a license with assignment of ownership agreement for its patented formulation QR-340 developed by its wholly owned subsidiary, Quigley Pharma Inc. The compound has been clinically tested and shown to improve the appearance of scars in a comparative study. The Agreement is with Levlad, LLC/Natures Gate, a manufacturer and marketer of personal care products based on botanicals. The general terms of the agreement allow the assignee to further refine, develop and commercialize the product with exclusivity and eventual full ownership of the patent within five years, beginning January 2009. The agreement is based on required royalty payments totaling $1.1 million to The Quigley Corporation over the time period. Under the terms of the agreement, if the minimum payments and terms are not met within the five-year period, The Company retains full rights and ownership of the property. However, Levlad can continue to pay per unit royalties beyond five years for a non-exclusive license.

Health And Wellness

On February 29, 2008, the Company sold Darius to InnerLight Holdings, Inc., whose major shareholder is Mr. Kevin P. Brogan, the then president of Darius. Darius marketed health and wellness products through its wholly-owned subsidiary, Innerlight Inc. that constituted the Health and Wellness segment of the Company. The terms of the sale agreement included a cash purchase price of $1,000,000 by InnerLight Holdings, Inc. for the stock of Darius and its subsidiaries without guarantees, warranties or indemnifications. Financial information related to this former segment is presented as Discontinued Operations. See discussion in Note 3 to Consolidated Financial Statements.

Patents, Trademarks, Royalty and Commission Agreements

The Company currently owns no patents for cold-remedy products. However, the Company has been assigned patent applications which are hereinafter discussed and has been granted an exclusive agreement for worldwide representation, manufacturing, marketing and distribution rights to a zinc gluconate glycine lozenge formulation, which are patented as follows:

United States:	No. 4 684 528 (August 4, 1987, expired August 2004) No. 4 758 439 (July 19, 1988, expired August 2004)
Canada:	No. 1 243 952 (November 1, 1988, expired June 2005)
Great Britain:	No. 2 179 536 (December 21, 1988, expired June 2005)

Germany:	No. 3,587,766 (March 2, 1994, expired June 2005)
Sweden:	No. 0 183 840 (March 2, 1994, expired June 2005)
France & Italy:	No. EP 0 183 840 B1 (March 2, 1994, expired June 2005) Japan: Pending

The following patents have been assigned to the Company in relation to **Pharma**, together with issue date:

United States:	No. 6 555 573 B2 (April 29, 2003)	No. 6 592 896 B2 (July 15, 2003)
	No. 6 596 313 B2 (July 22, 2003)	No. 6 753 325 B2 (June 22, 2004)
	No. 6 827 945 B2 (December 7, 2004)	No. 7,083,813 B2 (August 1, 2006)
	No. 7,166,435 B2 (January 23, 2007)	No. 7,175,987 B2 (February 13, 2007)
	No. 7,396,546 B2 (July 8, 2008)	No. 7,399,783 B2 (July 15, 2008)
	No. 7,405,046 B2 (July 29, 2008)	No. 7,410,659 B2 (August 12, 2008)
	No. 7,435,725 B2 (October 14, 2008)	

Mexico	No. 236311 (April 28, 2006)	South Africa	No. 2003/4247 (July 28, 2004)
Mexico	No. 259329 (August 4, 2006)	South Africa	No. 2003/9802 (July 28, 2004)
		South Africa	No. 2004/4614 (October 28, 2005)
New Zealand	No. 533439 (October 12, 2006)	South Africa	No. 2005/0517 (December 28, 2005)
New Zealand	No. 526041 (May 12, 2005)	South Africa	No. 2004/3365 (May 31, 2006)
New Zealand	No. 530187 (June 7, 2007)	South Africa	No. 2004/3364 (October 25, 2006)
New Zealand	No. 537821 (September 13, 2007)		
New Zealand	No. 532775 (February 8, 2007)	Israel	No. 159357 (November 21, 2006)
Australia	No. 2002231095 (November 24, 2005)	Australia	No. 2002232464 (February 22, 2007)
Australia	No. 2002352501 (July 5, 2007)	Australia	No. 2002365155 (January 31, 2008)
Australia	No. 2002309615 (January 31, 2008)		
India	No. 00004/MUMP/2004 (December 27, 2007)		

The Cold-EezeÒ products are marketed by the Company in accordance with the terms of a licensing agreement (between the Company and the developer). The contract is assignable by the Company with the developer's consent. In return for exclusive distribution rights, the Company paid the developer a 3% royalty and a 2% consulting fee based on sales collected, less certain deductions, throughout the term of this agreement, which expired in 2007. However, the Company and the developer are in litigation and as such no potential offset for these fees from such litigation has been recorded.

During 1997, the Company obtained a trademark for the major components of its lozenge, ZIGGÔ (denoting zinc gluconate glycine), to set Cold-Eeze® apart from the imitations then proliferating the marketplace.

An agreement between the Company and its founders was entered into on June 1, 1995. The founders, both officers and stockholders of the Company, in consideration of the acquisition of the Cold-EezeÒ cold therapy product, have received a total commission of five percent (5%), on sales collected, less certain deductions. This agreement expired on May 31, 2005.

Product Distribution and Customers

The Company has several Broker, Distributor and Representative Agreements, both nationally and internationally, which provide for commission compensation based on sales performance.

The Cold-EezeÒ products are distributed through numerous food, chain drug and mass merchandisers throughout the United States, including: Walgreen Co., Wal-Mart, Ahold, Super Valu, CVS, RiteAid, Publix, Winn-Dixie Stores, Inc., Target, The Kroger Company, Safeway Inc., Kmart Corporation, and wholesale distributors including, AmerisourceBergen and Cardinal Distribution.

The Company is not dependent on any single customer as the broad range of customers includes many large wholesalers,ass merchandisers, and multi-outlet pharmacy chains, five of which account for a significant percentage of sales volume. The top five customers of the Company represent 48%, 49%, and 47% of its continuing consolidated gross revenues for the years ended December 31, 2008, 2007 and 2006, respectively.

Pharma currently has no sales since it is undergoing research and development activity in compliance with regulatory requirements and is at the initial stages of what may be a lengthy process to develop commercial products.

On February 29, 2008, the Company sold Darius to InnerLight Holdings, Inc., whose major shareholder is Mr. Kevin P. Brogan, the then president of Darius. Darius marketed health and wellness products through its wholly-owned subsidiary, Innerlight Inc. that constituted the Health and Wellness segment of the Company. The terms of the sale agreement included a cash purchase price of $1,000,000 by InnerLight Holdings, Inc. for the stock of Darius and its subsidiaries without guarantees, warranties or indemnifications. Financial information related to this former segment is presented as Discontinued Operations. See discussion in Note 3 to Consolidated Financial Statements.

Research and Development

The Company's research and development costs for the years ended December 31, 2008, 2007 and 2006 were $4,241,724, $6,482,485 and $3,787,498 respectively. Future research and development expenditures are anticipated in order to develop extensions of the Cold-EezeÒ product, including potential unrelated new products in the consumer health care industry, that are primarily supported by clinical studies, for efficacious long-term products that can be coupled with possible line extension derivatives for a family of products. Clinical studies and testing are anticipated in connection with Pharma, such as the formulation of products for diabetic use, radiation dermatitis, influenza A, arthritis and other disorders. Pharma is currently involved in research activity following patent applications that have been assigned to the Company. Research and development costs, relating to potential products, may increase significantly over time as milestones in the development and regulatory process may be achieved.

Regulatory Matters

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. The Company's Cold-EezeÒ product is a homeopathic remedy, which is subject to regulation by various federal, state and local agencies, including the FDA and the Homeopathic Pharmacopoeia of the United States. These regulatory authorities have broad powers, and the Company is subject to regulatory and legislative changes that can affect the economics of the industry by requiring changes in operating practices or by influencing the demand for, and the costs of, providing its products. Management believes that the Company is in compliance with all such laws, regulations and standards currently in effect including the Food, Drug and Cosmetics Act of 1938 and the Homeopathic Pharmacopoeia Regulatory Service. Although it is possible that future results of operations could be materially affected by the future costs of compliance, management believes that the future costs will not have a material adverse effect on the Company's financial position or competitive position.

The pre-clinical development, clinical trials, product manufacturing and marketing of Pharmâs 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 all 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.

Competition

The Company competes with other suppliers of cold-remedy products. These suppliers range widely in size. Some of the Company's competitors have significantly greater financial, technical or marketing resources than the Company. Management believes that its Cold-Eeze® product, which has been clinically proven in two double-blind studies to reduce the severity and duration of common cold symptoms, offers a significant advantage over many of its competitors in the over-the-counter cold-remedy market. The Company believes that its ability to compete depends on a number of factors, including price, product quality, availability, speed to market, reliability, credit terms, name recognition, delivery time and post-sale service and support. Effective October 1, 2004, a subsidiary of the Company commenced manufacturing the Cold-EezeÒ lozenge product. This subsidiary assures future production capabilities of the lozenge product which constitutes primarily all of the cold remedy revenue.

Employees

At December 31, 2008 the Company employed 86 full-time persons, the majority of which were employed at the Company's manufacturing facility in a production function. The remainder were involved in an executive, marketing or administrative capacity. None of the Company's employees are covered by a collective bargaining agreement or are members of a union.

Suppliers

Prior to October 1, 2004, the manufacturing of the lozenge form of Cold-Eeze® was outsourced, but is now under the control of the Company. The other forms of Cold-Eeze® and remaining products of the cold remedy segment continue to be manufactured by contract manufacturers. Should these third party relationships terminate or discontinue for any reason, the Company has formulated a contingency plan necessary 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 materials used in the production of the cold-remedy products are available from numerous sources. Currently, they are being procured from a single vendor in order to secure purchasing economies and qualitative security. In a situation where this one vendor is not able to supply the ingredients, other sources have been identified. Any situation where the vendor is not able to supply the contract manufacturer with ingredients may result in a temporary delay in production until replacement supplies are obtained to meet the Company's production requirements.

Website Access

The Company's website address is www.quigleyco.com. The Company's filings with the SEC are available at no cost on its website as soon as practicable after filing of such reports with the SEC.

ITEM 1A. RISK FACTORS

The Company Has A History of Losses and Limited Working Capital and Expects to Increase Spending.

The Company has experienced net losses for four of the past seven fiscal years. Although the Company earned net income of approximately $3,217,000, $453,000 and $675,000, respectively, in the fiscal years ended December 31, 2005, December 31, 2004 and 2003, it incurred net losses of $5,534,000, $2,458,000, $1,748,000, and $6,454,000, respectively, in the fiscal years ended December 31, 2008, December 31, 2007, December 31, 2006, December 31, 2002. As of December 31, 2008, The Company had working capital of approximately $14,072,000. Since the Company continues to spend significant amounts on research and development in connection with Pharma's product development, it is uncertain whether the Company will generate sufficient revenues to meet expenses or to operate profitably in the future.

The Company Holds Patents Which It May Not Be Able to Develop Into Pharmaceutical Medications.

Future success depends in part on Pharma's ability to research and develop prescription medications based on patents, which currently 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 5, 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 14, 2022.
- A Patent (No. 6,753,325 B2) entitled "Composition and Method for Prevention, Reduction and Treatment of Radiation Dermatitis," a composition for preventing, reducing or treating radiation dermatitis. The patent extends through November 5, 2021.
- A Patent (No. 6,827,945 B2) entitled "Nutritional Supplements and Method of Using Same" for a method for treating at least one symptom of arthritis. The patent extends through April 22, 2023.
- A Patent (No. 7,083,813 B2) entitled "Methods for The Treatment of Peripheral Neural and Vascular Ailments." The patent extends through August 4, 2023.

- A Patent (No. 7,166,435 B2) entitled "Compositions and Methods for Reducing the Tranmissivity of Illnesses." This patent will provide additional protection to an existing composition patent (number 6,592,896), which the Company received in July 2003 and will support on-going investigations and potential commercialization opportunities. The Company will be continuing its studies to test the effects of the referenced compound against avian flu and human influenza. The patent extends through November 5, 2021.

- A Patent (No. 7,175,987 B2) entitled "Compositions and Methods for The Treatment of Herpes." The patent extends through November 5, 2021.

- A Patent (No. 7,396,546 B2) entitled "Anti-Microbial Compositions and Methods of Using Same" The patent extends through August 6, 2021.

- A Patent (No. 7,399,783 B2) entitled "Methods for the Treatment of Scar Tissue." The patent extends through September 4, 2026.

- A Patent (No. 7,405,046 B2) entitled "Compositions and Methods for Treatment of Rhinovirus." The patent extends through August 6, 2021.

- A Patent (No. 7,410,659 B2) entitled "Methods for the Treatment of Peripheral Neural and Vascular Ailments." The patent extends through November 6, 2022.

- A Patent (No. 7,435,725 B2) entitled "Oral Compositions and Methods for Prevention, Reduction and Treatment of Radiation Injury." The patent extends through January 14, 2022.

- A Mexican Patent (No. 236311) entitled "Method and Composition for the Treatment of Diabetic Neuropathy." The patent extends through December 18, 2020.

- A Mexican Patent (No. 259329) entitled "Nutritional Supplements and Methods for Prevention, Reduction and Treatment of Radiation Injury" the patent extends through April 30, 2022.

- A New Zealand Patent (No. 533439) entitled "Methods for The Treatment of Peripheral Neural and Vascular Ailments." The patent extends through November 6, 2022.

- A New Zealand Patent (No. 526041) entitled "Method and Composition for the Treatment of Diabetic Neuropathy." The patent extends through December 18, 2021.

- A New Zealand Patent (No. 530187) entitled "Nutritional Supplements and Methods of Using Same." The patent extends through August 6, 2022.

- A New Zealand Patent (No. 537821) entitled "Anti-Microbial Compositions and Methods of Using Same." The patent extends through July 23, 2023.

- A New Zealand Patent (No. 532775) entitled "Topical Compositions and Methods for Treatment of Adverse Effects of Ionizing Radiation," The patent extends through November 6, 2022.

- An Australian Patent (No. 2002231095) entitled "Method and Composition for the Treatment of Diabetic Neuropathy." The patent extends through December 18, 2021.

- An Australian Patent (No. 2002352501) entitled "Method for The Treatment of Peripheral Neural and Vascular Ailments." The patent extends through November 5, 2022.

- An Australian Patent (No. 2002232464) entitled "Nutritional Supplements and Methods of Using Same." The patent extends through August 5, 2022.

- An Australian Patent (No. 2002365155) "Topical Compositions and Methods for Treatment of Adverse Effects of Ionizing Radiation," the patent extends through November 5, 2022.

- An Australian Patent (No. 2002309615) "Nutritional Supplements and Methods for Prevention, Reduction and Treatment of Radiation Injury" the patent extends through April 30, 2022.

- A South African Patent (No. 2003/4247) entitled "Methods and Composition for the Treatment of Diabetic Neuropathy." The patent extends through December 18, 2021.
- A South African Patent (No. 2004/3364) "Nutritional Supplements and Methods for Prevention, Reduction and Treatment of Radiation Injury" the patent extends through May 1, 2022.
- A South African Patent (No. 2003/9802) entitled "Nutritional Supplements and Methods of Using Same" for a method for treating at least one symptom of arthritis. The patent extends through August 5, 2022.
- A South African Patent (No. 2004/4614) entitled "Methods for The Treatment of Peripheral Neural and Vascular Ailments." The patent extends through November 5, 2022.
- A South African Patent (No. 2005/0517) entitled "Anti-Microbial Compositions & Methods for Using Same," the patent extends through July 23, 2023.
- A South African Patent (No. 2004/3365) "Topical Compositions and Methods for Treatment of Adverse Effects of Ionizing Radiation," the patent extends through November 5, 2022.
- An Israeli Patent (No. 159357) entitled "Nutritional Supplements and Methods of Using Same," the patent extends through August 6, 2022.
- An Indian Patent (No. 00004/MUMP/2004) entitled "A Nutritional Supplement." The patent extends through August 6, 2022.

These potential new products are in the development stage and no assurances can be given that commercially viable products will be developed from these patent applications. Prior to any new product being ready for sale, substantial resources will have to be committed for research, development, preclinical testing, clinical trials, manufacturing scale-up and regulatory approval. The Company faces significant technological risks inherent in developing these products. The Company may abandon some or all of the proposed new products before they become commercially viable. Even if the Company develops and obtains approval of a new product, if the Company cannot successfully commercialize it in a timely manner, its business and financial condition may be materially adversely affected.

The Company Will Need To Obtain Additional Capital To Support Long-Term Product Development And Commercialization Programs.

The Company's ability to achieve and sustain operating profitability depends in large part on the ability to commence, execute and complete clinical programs for, and obtain additional regulatory approvals for, prescription medications developed by Pharma, particularly in the U.S. and Europe. There is no assurance that the Company will ever obtain such approvals or achieve significant levels of sales. The current sales levels of Cold-Eeze® products may not generate all the funds the Company anticipates will be needed to support current plans for product development.

The Company may need to obtain additional financing to support its long-term product development and commercialization programs. Additional funds may be sought through public and private stock offerings, arrangements with corporate partners, borrowings under lines of credit or other sources. Access to, and availability of, funding for such activities may prove difficult or unattainable due to several factors including weak current and future economic conditions, reduction in the availability of credit, financial market volatility and recession.

The amount of capital that may be needed to complete product development of Pharma's potential products will depend on many factors, including;

- the cost involved in applying for and obtaining FDA and international regulatory approvals;
- whether the Company elects to establish partnering arrangements for development, sales, manufacturing and marketing of such products;
- the level of future sales of Cold-Eeze® products, and expense levels for international sales and marketing efforts;
- whether the Company can establish and maintain strategic arrangements for development, sales, manufacturing and marketing of its products; and
- whether any or all of the outstanding options are exercised and the timing and amount of these exercises.

Many of the foregoing factors are not within the Company's control. If additional funds are required and such funds are not available on reasonable terms, the Company may have to reduce its capital expenditures, scale back its development of new products, reduce its workforce and out-license to others, products or technologies that the Company otherwise would seek to commercialize itself. Any additional equity financing will be dilutive to stockholders, and any debt financing, if available, may include restrictive covenants.

The Company's Products and Potential New Products Are Subject to Extensive Governmental Regulation.

The Company's business is regulated by various agencies of the states and localities where its products are sold. Governmental regulations in foreign countries where the Company plans to commence or expand sales may prevent or delay entry into a market or prevent or delay the introduction, or require the reformulation, of certain of its products. In addition, no prediction can be made as to whether new domestic or foreign legislation regulating our activities will be enacted. Any new legislation could have a material adverse effect on its business, financial condition and operations. Non-compliance with any applicable requirements may subject the Company or the manufacturers of its products to sanctions, including warning letters, fines, product recalls and seizures.

Cold Remedy Products. The manufacturing, processing, formulation, packaging, labeling and advertising of the cold remedy products are subject to regulation by several federal agencies, including:

- the FDA;
- the Federal Trade Commission ("FTC");
- the Consumer Product Safety Commission;
- the United States Department of Agriculture;
- the United States Postal Service;
- the United States Environmental Protection Agency; and
- the Occupational Safety and Health Administration.

In particular, the FDA regulates the safety, labeling and distribution of dietary supplements, including vitamins, minerals and herbs, food additives, food supplements, over-the-counter and prescription drugs and cosmetics. The FTC also has overlapping jurisdiction with the FDA to regulate the promotion and advertising of vitamins, over-the-counter drugs, cosmetics and foods. In addition, the cold remedy products are homeopathic remedies which are regulated by the Homeopathic Pharmacopoeia of the United States ("HPUS"). HPUS sets the standards for source, composition and preparation of homeopathic remedies which are officially recognized in the Federal Food, Drug and Cosmetics Act of 1938.

Pharma. The preclinical 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. Clinical trials and product marketing and manufacturing are subject to the rigorous review and approval processes of the FDA and foreign regulatory authorities. Obtaining FDA and other required regulatory approvals is lengthy and expensive. Typically, obtaining regulatory approval for pharmaceutical products requires substantial resources and takes 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 indication to be treated. Preclinical studies must comply with FDA regulations. Clinical trials must also comply with FDA regulations and may require large numbers of test subjects, complex protocols and possibly lengthy follow-up periods. Consequently, satisfaction of government regulations may take several years, may cause delays in introducing potential new products for considerable periods of time and may require imposing costly procedures upon the Company's activities. If regulatory approval of new products is not obtained in a timely manner or not at all, the Company could be materially adversely affected. Even if regulatory approval of new products is obtained, such approval may impose limitations on the indicated uses for which the products may be marketed which could also materially adversely affect the business, financial condition and future operations of the Company.

The Company's Business is Very Competitive and Increased Competition Could Have a Significant Impact on Earnings.

Both the non-prescription healthcare product and pharmaceutical industries are highly competitive. Many of the Company's competitors have substantially greater capital resources, research and development staffs, facilities and experience than it does. These and other entities may have or may develop new technologies. These technologies may be used to develop products that compete with the Company.

The Company believes that the primary cold remedy product, Cold-Eeze®, has a competitive advantage over other cold remedy products because it has been clinically proven to reduce the severity and duration of common cold symptoms. Competition in Pharma's potential product areas would most likely come from large pharmaceutical companies as well as other companies, universities and research institutions, many of which have resources far in excess of the Company's resources.

The Company believes that its ability to compete depends on a number of factors, including price, product quality, availability, reliability and name recognition of its cold remedy products and Pharma's ability to successfully develop and market prescription medications. There can be no assurance that the Company will be able to compete successfully in the future. If the Company is unable to compete, its earnings may be significantly impacted.

The Company's Future Success is Dependent on the Continued Services of Key Personnel Including The Chairman of the Board of Directors, President and Chief Executive Officer.

The Company's future success depends in large part on the continued service of key personnel. In particular, the loss of the services of Guy J. Quigley, Chairman of the Board, President and Chief Executive Officer could have a material adverse effect on operations. The Company had an employment agreement with Mr. Quigley which expired on December 31, 2005. Future success and growth also depends on the Company's ability to continue to attract, motivate and retain highly qualified employees. If the Company is unable to attract, motivate and retain qualified employees, our business and operations could be materially adversely affected.

The Company's Future Success Depends on the Continued Employment of Richard A. Rosenbloom, M.D., Ph.D., with Pharma.

Pharma's potential new products are being developed through the efforts of Dr. Rosenbloom. The loss of his services could have a material adverse effect on the Company's product development and future operations.

The Company's Future Success Depends on the Continued Sales of its Principal Product.

For the fiscal year ended December 31, 2008, the Cold-Eeze® products represented approximately 89% of the Company's total sales. The Cold-Eeze® products continues to be a major part of its business. Accordingly, the Company has to depend on the continued acceptance of Cold-Eeze® products by its customers. However, there can be no assurance that the Cold-Eeze® products will continue to receive market acceptance. The inability to successfully commercialize Cold-Eeze® in the future, for any reason, would have a material adverse effect on the financial condition, prospects and ability to continue operations of the Company.

The Company Has a Concentration of Sales to, and Accounts Receivable from, Several Large Customers.

Although the Company has a broad range of customers that includes many large wholesalers, mass merchandisers and multiple outlet pharmacy chains, the five largest customers account for a significant percentage of sales. These five customers accounted for 48% of total sales for the fiscal year ended December 31, 2008 and 49% of total sales for the fiscal year ended December 31, 2007. In addition, customers comprising the five largest accounts receivable balances represented 55% and 40% of total accounts receivable balances at December 31, 2008 and 2007, respectively. Credit is extended to customers based upon an evaluation of their financial condition and credit history, and collateral is not generally required. If one or more of these large customers cannot pay, the write-off of their accounts receivable would have a material adverse effect on the Company's operations and financial condition. The loss of sales to any one or more of these large customers would also have a material adverse effect on the operations and financial condition of the Company.

The Company is Dependent on Third-Party Manufacturers and Suppliers for Certain of the Cold Remedy Products.

All active ingredients that are raw materials used in connection with the Cold-Eeze® product are purchased from a single unaffiliated supplier. Should any of these relationships terminate, the Company believes that the contingency plans which have been formulated would prevent a termination from materially affecting its operations. However, if any of these relationships are terminated, there may be delays in production of the Company's products until an acceptable replacement facility is located. The Company continues to look for safe and reliable multiple-location sources for products and raw materials so that it can continue to obtain products and raw materials in the event of a disruption in its business relationship with any single manufacturer or supplier. While secondary sources have been identified for some of the Company's products and raw materials, its inability to find other sources for some of its other products and raw materials may have a material adverse effect on its operations. In addition, the terms on which manufacturers and suppliers will make products and raw materials available to us could have a material effect on the Company's success.

The Company is Uncertain as to Whether It Can Protect Its Proprietary Rights.

The strength of the Company's patent position may be important to its long-term success. The Company currently owns thirteen U.S. and twenty foreign patents in connection with potential products that are being developed by Pharma. In addition, the Company has been granted an exclusive agreement for worldwide representation, manufacturing, marketing and distribution rights to a zinc/gluconate/glycine lozenge formulation. That formulation has been patented in the United States, Germany, France, Italy, Sweden, Canada and Great Britain and a patent is pending in Japan. However, this patent in the United States expired in August 2004 and expired in June 2005 in all countries except Japan.

There can be no assurance that these patents and the Company's exclusive license will effectively protect its products from duplication by others. In addition, the Company may not be able to afford the expense of any litigation which may be necessary to enforce its rights under any of the patents. Although the Company believes that current and future products do not and will not infringe upon the patents or violate the proprietary rights of others, if any of the current or future products do infringe upon the patents or proprietary rights of others, the Company may have to modify the products or obtain an additional license for the manufacture and/or sale of such products. The Company could also be prohibited from selling the infringing products. If the Company is found to infringe on the proprietary rights of others, it is uncertain whether the Company will be able to take corrective actions in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do so could have a material adverse effect upon its business, financial condition and operations.

The Company also uses non-disclosure agreements with its employees, suppliers, consultants and customers to establish and protect the ideas, concepts and documentation of its confidential non-patented and non-copyright protected proprietary technology and know-how. However, these methods may not afford complete protection. There can be no assurance that third parties will not obtain access to or independently develop the Company's technologies, know-how, ideas, concepts and documentation, which could have a material adverse effect on the Company's financial condition.

The Sales of the Company's Primary Product Fluctuates by Season.

A significant portion of the Company's business is highly seasonal, which causes major variations in operating results from quarter to quarter. The third and fourth quarters generally represent the largest sales volume for the cold remedy products. There can be no assurance that the Company will be able to manage its working capital needs and its inventory to meet the fluctuating demand for these products. Failure to accurately predict and respond to consumer demand may result in the production of excess inventory. Conversely, if products achieve greater success than anticipated for any given quarter, this may result in insufficient inventory to meet customer demand.

The Company's Existing Products and Potential New Products Under Development Expose the Company to Potential Product Liability Claims.

The Company's business results in exposure to an inherent risk of potential product liability claims, including claims for serious bodily injury or death caused by the sales of the Company's existing products and the clinical trials of products which are being developed. These claims could lead to substantial damage awards. The Company currently maintains product liability insurance in the amount of, and with a maximum payout of $25 million. A successful claim brought against the Company in excess of, or outside of, existing insurance coverage could have a material adverse effect on the Company's results of operations and financial condition. Claims against the Company, regardless of their merit or eventual outcome, may also have a material adverse effect on the consumer demand for its products.

The Company is Involved in Lawsuits Regarding Claims Relating to Certain of the Cold-Eeze® Products and other Business Matters.

The Company is, from time to time, subject to various legal proceedings and claims, either asserted or unasserted. Any such claims, including those contained in Item 3 of this report, whether with or without merit, could be time-consuming and expensive to defend and could divert management's attention and resources. While management believes that the Company has adequate insurance coverage and, if applicable, accrued loss contingencies for all known matters, there is no assurance that the outcome of all current or future litigation will not have a material adverse effect on the Company.

A Substantial Amount of the Company's Outstanding Common Stock is Owned by the Chairman of the Board and President and Executive Officers and Directors, as a Group Can Significantly Influence All Matters Voted on by Stockholders.

Guy J. Quigley, Chairman of the Board, President and Chief Executive Officer, through his beneficial ownership, has the power to vote approximately 25.4%of The Company's common stock. Mr. Quigley and the other executive officers and directors collectively beneficially own approximately 36.7% of the common stock. These individuals have significant influence over the outcome of all matters submitted to stockholders for approval, including election of directors. Consequently, they exercise substantial control over all major decisions which could prevent a change of control of the Company.

The Company's Stock Price is Volatile.

The market price of the Company's common stock has experienced significant volatility. From January 1, 2005 to January 31, 2009, the per share bid price has ranged from a low of approximately $2.85 to a high of approximately $16.94. There are several factors which could affect the price of the common stock, some of which are announcements of technological innovations for new commercial products by us or competitors, developments concerning propriety rights, new or revised governmental regulation or general conditions in the market for the Company's products. Sales of a substantial number of shares by existing stockholders could also have an adverse effect on the market price of the common stock.

Future Sales of Shares of the Company's Common Stock in the Public Market Could Adversely Affect the Trading Price of Shares of the Common Stock and the Company's Ability to Raise Funds in New Stock Offerings.

Future sales of substantial amounts of shares of the Company's common stock in the public market, or the perception that such sales are likely to occur, could affect prevailing trading prices of the common stock. As of December 31, 2008, the Company had 12,908,383 shares of common stock outstanding.

The Company also has outstanding options to purchase an aggregate of 2,268,250 shares of common stock at an average exercise price of $7.76 per share. If the holders of these options were to attempt to sell a substantial amount of their holdings at once, the market price of the common stock would likely decline. Moreover, the perceived risk of this potential dilution could cause stockholders to attempt to sell their shares and investors to "short" the stock, a practice in which an investor sells shares that he or she does not own at prevailing market prices, hoping to purchase shares later at a lower price to cover the sale. As each of these events would cause the number of shares of common stock being offered for sale to increase, the common stock's market price would likely further decline. All of these events could combine to make it very difficult for the Company to sell equity or equity-related securities in the future at a time and price that it deems appropriate.

The Company Does Not Intend to Pay Cash Dividends in the Foreseeable Future.

The Company has not paid cash dividends on its common stock since inception. The intention of the Company is to retain earnings, if any, for use in the business and does not anticipate paying any cash dividends to stockholders in the foreseeable future.

The Company's Articles of Incorporation and By-laws Contain Certain Provisions that May Be Barriers to a Takeover.

The Company's Articles of Incorporation and By-laws contain certain provisions which may deter, discourage, or make it difficult to assume control of the Company by another corporation or person through a tender offer, merger, proxy contest or similar transaction or series of transactions. These provisions may deter a future tender offer or other takeover attempt. Some stockholders may believe such an offer to be in their best interest because it may include a premium over the market price of the common stock at the time. In addition, these provisions may assist current management in retaining its position and place it in a better position to resist changes which some stockholders may want to make if dissatisfied with the conduct of the Company's business.

Instability And Volatility In The Financial Markets Could Have A Negative Impact On The Company's Business, Financial Condition, Results Of Operations And Cash Flows.

During recent months, there has been substantial volatility and a decline in financial markets due at least in part to the deteriorating global economic environment. In addition, there has been substantial uncertainty in the capital markets and access to financing is uncertain. Moreover, customer spending habits may be adversely affected by the current economic crisis. These conditions could have an adverse effect on the Company's industry and business, including the Company's financial condition, results of operations and cash flows.

To the extent that the Company does not generate sufficient cash from operations, it may need to incur indebtedness to finance plans for growth. Recent turmoil in the credit markets and the potential impact on the liquidity of major financial institutions may have an adverse effect on the Company's ability to fund its business strategy through borrowings, under either existing or newly created instruments in the public or private markets on terms that the Company believes to be reasonable, if at all.

The Company Has Agreed to Indemnify Its Officers and Directors From Liability.

Sections 78.7502 and 78.751 of the Nevada General Corporation Law allow the Company to indemnify any person who is or was made a party to, or is or was threatened to be made a party to, any pending, completed, or threatened action, suit or proceeding because he or she is or was a director, officer, employee or agent of the Company or is or was serving at the Company's request as a director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise. These provisions permit the Company to advance expenses to an indemnified party in connection with defending any such proceeding, upon receipt of an undertaking by the indemnified party to repay those amounts if it is later determined that the party is not entitled to indemnification. These provisions may also reduce the likelihood of derivative litigation against directors and officers and discourage or deter stockholders from suing directors or officers for breaches of their duties to the Company, even though such an action, if successful, might otherwise benefit the Company or its stockholders. In addition, to the extent that the Company expends funds to indemnify directors and officers, funds will be unavailable for operational purposes.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable

ITEM 2. PROPERTIES

The corporate office of The Quigley Corporation is located at 621 Shady Retreat Road, Doylestown, Pennsylvania. This property, with an area of approximately 13,000 square feet, was purchased in November 1998 and refurbished during 1999. The Company occupies warehouse space in Las Vegas, Nevada at a current monthly cost of $2,772. This Nevada location has a three-year lease that expires in July 2009. In addition to storage facilities at the manufacturing subsidiary's locations, the Company also stores product in a number of additional warehouses in Pennsylvania with storage charges based upon the quantities of product being stored.

The manufacturing facilities of the Company are located in each of Elizabethtown and Lebanon, Pennsylvania. The facilities were purchased effective October 1, 2004. In total, the facilities have a total area of approximately 73,000 square feet, combining both manufacturing and office space. On February 2, 2009, the Company announced its intention to close the Elizabethtown location which may result in the disposal of this facility in the future.

The Company believes that its existing facilities are adequate at this time.

ITEM 3. LEGAL PROCEEDINGS

TESAURO AND ELEY, ET AL. VS. THE QUIGLEY CORPORATION
(CCP of Phila., August Term 2000, No. 001011)

In September 2000, the Company was sued by two individuals (Jason Tesauro and Elizabeth Eley, both residents of Georgia), allegedly on behalf of a "nationwide class" of "similarly situated individuals," in the Court of Common Pleas of Philadelphia County, Pennsylvania. The Complaint further alleges that the plaintiffs purchased certain Cold-Eeze products between August 1996, and November 1999, based upon cable television, radio and internet advertisements, which allegedly misrepresented the qualities and benefits of the Company's products. The Complaint, as pleaded originally, requested an unspecified amount of damages for violations of Pennsylvania's consumer protection law, breach of implied warranty of merchantability and unjust enrichment, as well as a judicial determination that the action be maintained as a class action. In October 2000, the Company filed Preliminary Objections to the Complaint seeking dismissal of the action. The court sustained certain objections, thereby narrowing plaintiffs' claims.

In May 2001, plaintiffs filed a motion to certify the putative class. The Company opposed the motion. In November 2001, the court held a hearing on plaintiffs' motion for class certification. In January 2002, the court denied in part and granted in part plaintiffs' motion. The court denied plaintiffs' motion to certify a class based on plaintiffs' claims under Pennsylvania's consumer protection law, under which plaintiffs sought treble damages, effectively dismissing this cause of action; however, the court certified a class based on plaintiffs' secondary breach of implied warranty and unjust enrichment claims. In August, 2002, the court issued an order adopting a form of Notice of Class Action to be published nationally. Significantly, the form of Notice approved by the court included a provision which limits the potential class members who may potentially recover damages in this action to those persons who present a proof of purchase of Cold-Eeze during the period August 1996 and November 1999.

Afterward, a series of pre-trial motions were filed raising issues concerning trial evidence and the court's jurisdiction over the subject matter of the action. In March, 2005, the court held oral argument on these motions.

Significantly, on November 8, 2006, the Court entered an Order dismissing the case in its entirety on the basis that the action was preempted by federal law. The plaintiffs appealed the Court's decision in December, 2006 to the Superior Court of the Commonwealth of Pennsylvania. On February 19, 2008, the Superior Court upheld defendant's appeal and remanded the case to the Philadelphia County Court of Common Pleas for trial.

The case commenced trial on February 2, 2009. On February 6, 2009, the jury returned a verdict in favor of the Company on all counts. Plaintiffs had to February 17, 2009, to file post-trial motions, the first step in the appeal process. No post-trial motions were filed by the plaintiffs. At this time the Company has no notice as to whether the plaintiffs will attempt to perfect an appeal.

THE QUIGLEY CORPORATION VS. JOHN C. GODFREY, ET AL.
(Bucks Co. CCP, No. 04-07776)

In this action, which was commenced in November 2004, the Company is seeking declaratory and injunctive relief against John C. Godfrey, Nancy Jane Godfrey, and Godfrey Science and Design, Inc. requesting injunctive relief regarding the Cold-Eeze trade name and trademark; injunctive relief relating to the Cold-Eeze formulations and manufacturing methods; injunctive relief for breach of the duty of loyalty, and declaratory judgment pending the Company's payment of commissions to defendants. The Company's Complaint is based in part upon the Exclusive Representation and Distribution Agreement and the Consulting Agreement (together the "Agreements") entered into between the defendants and the Company. The Company terminated the Agreements for the defendants' alleged material breaches of the Agreements. Defendants have answered the complaint and asserted counterclaims against the Company seeking remedies relative to the Agreements. The Company believes that the defendants' counterclaims are without merit and is vigorously defending those counterclaims and is prosecuting its action on its complaint.

The discovery phase of pre-trial discovery is nearing completion. Defendants moved for partial summary judgment, and the Company filed a response and cross-motion for summary judgment. On August 21, 2008, the court denied both motions for summary judgment. The case has not been assigned to a trial calendar, although it is possible that the case will be listed for trial in 2009.

At this time no prediction as to the outcome of this action can be made.

NICODROPS, INC. VS. QUIGLEY MANUFACTURING, INC.

On January 30, 2006, Quigley Manufacturing, Inc., a wholly-owned subsidiary of The Quigley Corporation, was put on notice of a claim by Nicodrops, Inc. Nicodrops, Inc. has claimed that the packaging contained incorrect expiration dates and caused it to lose sales through two (2) retailers. The total alleged sales of Nicodrops was approximately $250,000 and Nicodrops is claiming unspecified damages exceeding $2,000,000.

No suit has been filed. The Company is investigating this claim. Based on its investigation to date, the Company believes the claim is without merit. However, at this time no prediction can be made as to the outcome of this case.

THE QUIGLEY CORPORATION VS. WACHOVIA INSURANCE SERVICES, INC. AND FIRST UNION INSURANCE SERVICES AGENCY, INC.

The Quigley Corporation instituted a Writ of Summons against Wachovia Insurance Services, Inc. and First Union Insurance Services Agency, Inc. on December 8, 2005. The purpose of this suit was to maintain an action and toll the statute of limitation against The Quigley Corporation's insurance broker who failed to place excess limits coverage for the Company for the period from November 29, 2003 until April 6, 2004. As a result of the defendant's failure to place insurance and to notify the Company of its actions, certain pending actions covered by the Company's underlying insurance at the present time may result in certain cases presently being defended by insurance counsel and the underlying insurance carrier to cause an exhaustion of the underlying insurance for the policy periods ending November 29, 2004 and November 29, 2005. Any case in which an alleged action arose by the use of COLD-EEZE Nasal Spray from November 29, 2003 to April 6, 2004 is not covered by excess insurance.

The Company's claim against Wachovia Insurance Services, Inc. and First Union Insurance Services Agency, Inc. is for negligence and for equitable insurance for these claims based on the Company's undertaking of certain attorneys' fees and costs of settlement for claims that should have been covered by underlying insurance placed by Wachovia Insurance Services, Inc.

At this time no prediction can be made as to the outcome of any action against Wachovia Insurance Services, Inc. and First Union Insurance Services Agency, Inc.

TERMINATED LEGAL PROCEEDINGS

CAROLYN SUNDERMEIER VS. THE QUIGLEY CORPORATION
(Pa. C.C.P., Bucks County, Docket No.: 07-01324-26-2)

On February 16, 2007, plaintiff filed an action in the Court of Common Pleas of Bucks County, Pennsylvania. The complaint was served on the Company on February 20, 2007. The action alleges the plaintiff suffered certain losses and injuries as a result of using the Company's nasal spray product. Plaintiff's complaint consists of counts for negligence, strict products liability (failure to warn), strict products liability (defective design), breach of express and implied warranties, and violations under the Pennsylvania Unfair Trade Practices and Consumer Protection Law and other consumer protection statutes.

This action was recently settled at the direction of the insurance carrier out of insurance proceeds.

MONIQUE FONTENOT DOYLE VS. THE QUIGLEY CORPORATION
(U.S.D.C., W.D. La. Docket No.: 6:06CV1497)

On August 31, 2006, the plaintiff filed an action against the Company in the United States District Court for the Western District of Louisiana (Lafayette-Opelousas Division). The action alleges that the plaintiff suffered certain losses and injuries as a result of the Company's nasal spray product. Among the allegations of plaintiff are breach of express warranties and damages pursuant to the Louisiana Products Liability Act.

This case was turned over to The Quigley Corporation for defense and settlement and it was settled for less than the cost of defense after discovery was partially completed. The cost of defense and the settlement remain claims against Wachovia Insurance Services, Inc. and First Union Insurance Services Agency, Inc. The Company's claim against Wachovia Insurance Services, Inc. and First Union Services Agency, Inc. is for negligence and for equitable insurance.

HOWARD POLSKI AND SHERYL POLSKI VS. THE QUIGLEY CORPORATION, ET AL.
(U.S.D.C., D. Minn. Docket No.: 04-4199 PJS/JJG)

On August 12, 2004, plaintiffs filed an action against the Company in the District Court for Hennepin County, Minnesota, which was not served until September 2, 2004. On September 17, 2004, the Company removed the case to the United States District Court for the District of Minnesota. The action alleges that plaintiffs suffered certain losses and injuries as a result of the Company's nasal spray product. Among the allegations of plaintiffs are negligence, products liability, breach of express and implied warranties, and breach of the Minnesota Consumer Fraud Statute.

On September 5, 2007, the Company obtained a judgment in its favor, as a matter of law, and that decision was appealed to the Eighth Circuit Court of Appeals. On August 13, 2008, the Eighth Circuit Court of Appeals upheld the judgment in favor of the Company. The plaintiffs had until December 3, 2008 to file a Petition for Allocatur to the Supreme Court of the United States. No Petition for Allocatur was filed in this case and the Company has a final judgment in its favor.

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

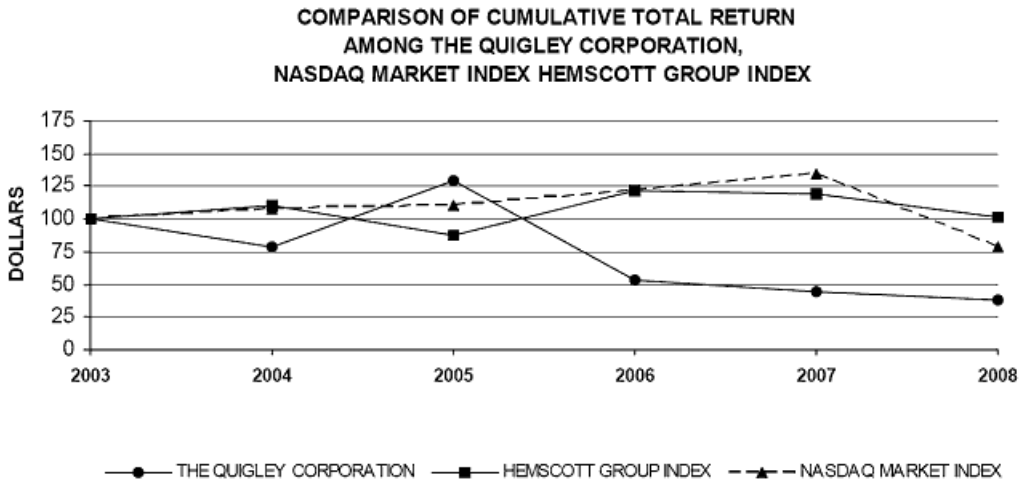
None

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

PERFORMANCE CHART

The following graph reflects a five-year comparison, calculated on a dividend reinvested basis, of the cumulative total stockholder return on the Common Stock of the Company, a "peer group" index classified as drug related products by Hemscott Group Ltd., ("Hemscott Group Index") and the NASDAQ Market Index. The comparisons utilize an investment of $100 on December 31, 2003 for the Company and the comparative indices, which then measure the values for each group at December 31 of each year presented. There can be no assurance that the Company's stock performance will continue with the same or similar trends depicted in the following performance graph.



Market Information

The Company's Common Stock, $.0005 par value, is currently traded on The NASDAQ Global Market under the trading symbol "QGLY." The price set forth in the following table represents the high and low bid prices for the Company's Common Stock.

Common Stock

	2008		2007	
Quarter Ended	**High**	**Low**	**High**	**Low**
March 31	$ 5.74	$ 4.17	$ 7.99	$ 5.09
June 30	$ 5.85	$ 4.54	$ 7.49	$ 4.55
September 30	$ 5.65	$ 4.58	$ 5.24	$ 2.92
December 31	$ 5.39	$ 2.85	$ 6.13	$ 3.75

Such quotations reflect inter-dealer prices, without mark-up, mark-down or commission and may not represent actual transactions.

The Company's securities are traded on The NASDAQ Global Market and consequently stock prices are available daily as generated by The NASDAQ Global Market established quotation system.

Holders

As of December 31, 2008, there were approximately 300 holders of record of the Company's Common Stock, including brokerage firms, clearing houses, and/or depository firms holding the Company's securities for their respective clients. The exact number of beneficial owners of the Company's securities is not known but exceeds 400.

Dividends

The Company has not declared, nor paid, any cash dividends on its Common Stock. At this time the Company intends to retain its earnings to finance future growth and maintain liquidity.

Warrants and Options

In addition to the Company's outstanding Common Stock, there are, as of December 31, 2008, issued and outstanding Common Stock Purchase Warrants and Options that are exercisable at the price-per-share stated and expire on the date indicated, as follows:

Description	Number	Exercise Price	Expiration Date
Option Plan	331,000	$ 5.1250	April 6, 2009
Option Plan	160,500	$ 0.8125	December 20, 2010
Option Plan	153,500	$ 1.2600	December 10, 2011
Option Plan	291,250	$ 5.1900	July 30, 2012
Option Plan	42,500	$ 5.4900	December 17, 2012
Option Plan	370,500	$ 8.1100	October 29, 2013
Option Plan	435,500	$ 9.5000	October 26, 2014
Option Plan	483,500	$ 13.8000	December 11, 2015

At December 31, 2008, there were 2,268,250 unexercised and vested options of the Company's Common Stock available for exercise.

Securities Authorized Under Equity Compensation

The following table sets forth certain information regarding stock option and warrant grants made to employees, directors and consultants:

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options & Warrants (A)	Weighted Average Exercise Price of Outstanding Options & Warrants (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A) (C)
Equity Plans Approved by Security Holders (1)	2,268,250	$7.76	1,753,750

(1) An incentive stock option plan was instituted in 1997, (the "1997 Stock Option Plan") and approved by the stockholders in 1998. Options pursuant to the 1997 Stock Option Plan have been granted to directors, executive officers, and employees.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth the selected financial data of the Company for and at the end of the years ended December 31, 2008, 2007, 2006, 2005 and 2004.

The data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operation" and the Company's financial statements and notes thereto appearing elsewhere herein.

(Amounts in thousands, except per share data)	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
Statement of Income Data:					
Net sales	$ 20,507	$ 28,242	$ 26,850	$ 33,185	$ 23,587
Gross profit	$ 11,413	$ 18,556	$ 17,545	$ 21,301	$ 13,546
(Loss) income - continuing operations	$ (6,410)	$ (1,856)	$ (547)	$ 2,339	$ (1,060)
Income (loss) - discontinued operations (1)	$ 876	$ (602)	$ (1,201)	$ 878	$ 1,513
Net (loss) income	$ (5,534)	$ (2,458)	$ (1,748)	$ 3,217	$ 453
Basic (loss) earnings per share:					
Continuing operations	$ (0.50)	$ (0.14)	$ (0.04)	$ 0.20	$ (0.09)
Discontinued operations	$ 0.07	$ (0.05)	$ (0.10)	$ 0.08	$ 0.13
Net (loss) income	$ (0.43)	$ (0.19)	$ (0.14)	$ 0.28	$ 0.04
Diluted (loss) earnings per share:					
Continuing operations	$ (0.50)	$ (0.14)	$ (0.04)	$ 0.17	$ (0.07)
Discontinued operations	$ 0.07	$ (0.05)	$ (0.10)	$ 0.07	$ 0.10
Net income (loss)	$ (0.43)	$ (0.19)	$ (0.14)	$ 0.24	$ 0.03
Weighted average shares outstanding:					
Basic	12,878	12,729	12,245	11,661	11,541
Diluted	12,878	12,729	12,245	13,299	14,449
	As of December 31, 2008	**As of December 31, 2007**	**As of December 31, 2006**	**As of December 31, 2005**	**As of December 31, 2004**
Balance Sheet Data:					
Working capital	$ 14,072	$ 18,578	$ 20,541	$ 20,682	$ 17,853
Total assets	$ 24,369	$ 33,502	$ 34,845	$ 35,976	$ 31,530
Debt	$ -	$ -	$ -	$ 1,464	$ 2,893
Stockholders' equity	$ 17,774	$ 23,244	$ 25,529	$ 25,320	$ 21,902

(1) On February 29, 2008, the Company sold Darius to InnerLight Holdings, Inc. (See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3 "Discontinued Operations" for additional information.) The sale of this segment has been treated as discontinued operations and all periods presented have been reclassified.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Company, headquartered in Doylestown, Pennsylvania, is a leading manufacturer, marketer and distributor of a diversified range of homeopathic and health products which comprise the Cold Remedy and Contract Manufacturing segments. The Company is also involved in the research and development of potential natural base health products, including, but not limited to, prescription medicines along with supplements and cosmeceuticals for human and veterinary use, which comprise the Ethical Pharmaceutical segment.

The Company's primary business is the manufacture and distribution of cold remedy products to the consumer through the over-the-counter marketplace. One of the Company's key products in its Cold Remedy segment is Cold-EezeÒ, a zinc gluconate glycine product proven in two double-blind clinical studies to reduce the duration and severity of the common cold symptoms by nearly half. Cold-Eeze is an established product in the health care and cold remedy market.

Effective October 1, 2004, the Company acquired substantially all of the assets of JoEl, Inc., the previous manufacturer of the Cold-Eeze lozenge product. This manufacturing entity, now called QMI, a wholly-owned subsidiary of the Company, will continue to produce lozenge product along with performing such operational tasks as warehousing and shipping the Company's Cold-Eeze products. In addition, QMI, which is an FDA approved facility, has produced a variety of hard and organic candy for sale to third party customers in addition to performing contract manufacturing activities for non-related entities. On February 2, 2009, the Company announced its intention to close the Elizabethtown location of QMI and discontinue the hard candy business resulting in the consolidation of manufacturing operations at the Lebanon location. This consolidation will have no impact on the production or distribution of the Cold-EezeÒ brand of cold remedy products.

The Company's Cold Remedy segment reported a sales decrease in 2008 compared to 2007. This decrease may be attributable to continued customer review of inventory levels and product mix particularly in light of current market and economic conditions including higher than normal product returns. The cough/cold segment has been adversely affected in the past two cold seasons by the least incidence of colds by consumers in the last several years. The 2008 sales activity reflects the market wide decrease in cold remedy product consumption as supported by recent Information Resources Inc. ("IRI") data, which was consistent throughout 2008. Cold-Eeze continues to compete with new products entering the category despite many of these products being without any evidence of clinical effectiveness, unlike Cold-Eeze which has been clinically proven to treat the common cold.

In 2008, the margin of the Cold Remedy segment was adversely affected as a result of decreased sales and higher than normal products returns along with product obsolescence costs. The consolidated margin was also impacted by reduced production at the manufacturing facilities resulting in a negative impact to margin. The 2008 margin was supported as a result of the discontinuation in May 2007 of royalty costs associated with the developer of Cold-Eeze along with a price increase of Cold-Eeze to the trade in July 2007. In 2008, the Company recognized an impairment charge of $300,000 due to adverse profit margins related to the hard candy business of QMI with such expense reflected in cost of sales. In February 2009, the Company announced plans to discontinue its hard candy business resulting in the closure of the Elizabethtown, Pennsylvania, manufacturing location in 2009 and consolidate its manufacturing capabilities to one location in order to improve manufacturing efficiencies. The facility located in Lebanon, Pennsylvania, currently manufactures the Cold-Eeze lozenge product and will continue to do so along with warehousing and distributing the Company's range of cold remedy products.

In January 2001, the Company formed an Ethical Pharmaceutical segment, Pharma, that is under the direction of its Executive Vice President and Chairman of its Medical Advisory Committee. Pharma was formed for the purpose of developing potential natural base health products, including, but not limited to, prescription medicines along with supplements and cosmeceuticals for human and veterinary use. Pharma is currently undergoing research and development activity in compliance with regulatory requirements. The Company is in the initial stages of what may be a lengthy process to develop these patent applications into commercial products. The Company continues to invest significantly with ongoing research and development activities of this segment.

On February 29, 2008, the Company sold Darius to InnerLight Holdings, Inc., whose major shareholder is Mr. Kevin P. Brogan, the current president of Darius. The terms of the agreement included a cash purchase price of $1,000,000 by InnerLight Holdings, Inc., for the stock of Darius and its subsidiaries without guarantees, warranties or indemnifications. Darius, through its wholly-owned subsidiary, Innerlight Inc., constituted the Health and Wellness segment of the Company. The divestiture of Darius will provide clarity to the Company's strategic plan to focus its future endeavors in a pharmaceutical entity with OTC products and a pipeline of potential formulations that may lead to prescription and other medicinal products. The sale of this Health and Wellness segment has been treated as discontinued operations and all periods presented have been reclassified.

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 the requirements associated with the development of Pharma's potential prescription drugs and other medicinal products in order to continue to compete on a national and international level. The business development of the Company is dependent on 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.

Effect of Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, "*Fair Value Measurements*" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The adoption of this standard has not had a significant impact on the Company's consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities*", including an amendment of FASB No. 115 ("FAS 159"). The Statement permits companies to choose to measure many financial instruments and certain other items at fair value in order to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. FAS 159 is effective for the Company beginning January 1, 2008. The adoption of this standard has not had a significant impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2007, the FASB issued Statement of Financial Accounting Standard No. 160, *"Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51"* ("FAS 160"). FAS 160 establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the retained interest and gain or loss when a subsidiary is deconsolidated. This statement is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 with earlier adoption prohibited. The adoption of this standard is not expected to have a significant impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 141R, *"Business Combinations,"* ("SFAS 141R") which establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, and interim periods within those fiscal years. The adoption of this standard will not have any impact on the Company's consolidated financial position, results of operations or cash flows.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The Company is organized into three different but related business segments, Cold Remedy, Contract Manufacturing and Ethical Pharmaceutical. When providing for the appropriate sales returns, allowances, cash discounts and cooperative incentive promotion costs, each segment applies a uniform and consistent method for making certain assumptions for estimating these provisions that are applicable to that specific segment. Traditionally, these provisions are not material to net income in the Contract Manufacturing segment. The Ethical Pharmaceutical segment does not have any revenues.

The primary product in the Cold Remedy segment, Cold-Eeze®, has been clinically proven in two double-blind studies to reduce the severity and duration of common cold symptoms. Accordingly, factors considered in estimating the appropriate sales returns and allowances for this product include it being: a unique product with limited competitors; competitively priced; promoted; unaffected for remaining shelf life as there is no expiration date; monitored for inventory levels at major customers and third-party consumption data, such as IRI.

At December 31, 2008 and 2007 the Company included reductions to accounts receivable for sales returns and allowances of $1,427,000 and $296,000, respectively, and cash discounts of $150,000 and $169,000, respectively. Additionally, current liabilities at December 31, 2008 and 2007 include $1,058,962 and $1,137,650, respectively for cooperative incentive promotion costs.

The roll-forward of the sales returns and allowance reserve ending at December 31 is as follows:

Account – Sales Returns & Allowances	2008	2007
Beginning balance	$ 295,606	$ 473,176
Provision made for future charges relative to sales for each period presented	2,354,346	1,104,161
Current provision related to discontinuation of Cold-EezeÒ nasal spray	-	-
Actual returns & allowances recorded in the current period presented	(1,222,907)	(1,281,731)
Ending balance	$ 1,427,045	$ 295,606

The increase in the 2008 provision was principally due to non-routine returns of obsolete product and product mix realignment by certain of our customers. Also, the Company applies specific limits on product returns from customers, and evaluates return requests from customers relative to the Cold Remedy segment.

Management believes there are no material charges to net income in the current period, related to sales from a prior period.

Revenue

Provisions to reserves to reduce revenues for cold remedy products that do not have an expiration date, include the use of estimates, which are applied or matched to the current sales for the period presented. These estimates are based on specific customer tracking and an overall historical experience to obtain an effective applicable rate, which is tested on an annual basis and reviewed quarterly to ascertain the most applicable effective rate. Additionally, the monitoring of current occurrences, developments by customer, market conditions and any other occurrences that could affect the expected provisions relative to net sales for the period presented are also performed.

A one percent deviation for these consolidated reserve provisions for the years ended December 31, 2008, 2007 and 2006 would affect net sales by approximately $276,000, $348,000 and $318,000, respectively. A one percent deviation for cooperative incentive promotions reserve provisions for the years ended December 31, 2008, 2007 and 2006 could affect net sales by approximately $252,000, $323,000 and $298,000, respectively.

Income Taxes

The Company has recorded a valuation allowance against its net deferred tax assets. Management believes that this allowance is required due to the uncertainty of realizing these tax benefits in the future. The uncertainty arises because the Company may incur substantial research and development costs in its Ethical Pharmaceutical segment.

Results of Operations

Year ended December 31, 2008 compared with same period 2007

Net sales for 2008 were $20,506,612 compared to $28,241,502 for 2007, reflecting a decrease of $7,734,890 or 27.4% in 2008. Revenues, by segment, for 2008 were Cold Remedy, $18,185,510 and Contract Manufacturing, $2,321,102; as compared to 2007, when the revenues for each respective segment were $25,730,016 and $2,511,486.

The Cold Remedy segment reported a sales decrease in 2008 of $7,544,506 or 29.3%. This decrease may be attributable to continued customer review of inventory levels and product mix particularly in light of current market and economic conditions including higher than normal product returns. The cough/cold segment has been adversely affected in the past two cold seasons by the least incidence of colds by consumers in the last several years. The 2008 sales activity reflects the market wide decrease in cold remedy product consumption as supported by recent IRI data, which was consistent throughout 2008. Cold-Eeze continues to compete with new products entering the category despite many of these products being without any evidence of clinical effectiveness, unlike Cold-Eeze which has been clinically proven to treat the common cold.

The Company is continuing to strongly support Cold-Eeze as a clinically proven cold remedy product through in-store promotion, media advertising and coupon programs.

The Contract Manufacturing segment refers to the third party sales generated by QMI. In addition to the manufacture of the Cold-Eeze® product, QMI also manufactures a variety of hard and organic candies under its own brand names along with other products on a contract manufacturing basis for other customers. Sales for this segment in 2008 decreased by $190,384 or 7.6%.

Consolidated cost of sales from continuing operations for 2008 as a percentage of net sales was 44.3%, compared to 34.3% for 2007. The cost of sales percentage for the Cold Remedy segment increased in 2008 by 5.4% primarily due to higher than normal product returns along with product obsolescence costs in 2008, with these two items increasing 2008 cold remedy costs of sales by 6.4% over 2007. The 2007 cost of sales also reflects a royalty charge which amounted to 1.2% of sales with no such expense in 2008 due to the expiration of the royalty agreement.

The 2008 gross margin was reduced due to decreased cold remedy product sales along with increased returns and costs of product obsolescence. The 2008 margin was also impacted by reduced production in the Contract Manufacturing segment. In 2008, the Company recognized an impairment charge of $300,000 due to adverse profit margins related to the hard candy business of Quigley Manufacturing Inc. with such expense reflected in cost of sales. In February 2009, the Company announced plans to discontinue its hard candy business resulting in the closure of the Elizabethtown, Pennsylvania, manufacturing location in 2009 and consolidate its manufacturing capabilities to one location in order to improve manufacturing efficiencies. The facility located in Lebanon, Pennsylvania, currently manufactures the Cold-Eeze lozenge product and will continue to do so along with warehousing and distributing the Company's range of cold remedy products.

Selling, marketing and administrative expenses for 2008 were $13,901,159 compared to $14,621,612 in 2007. The decrease in 2008 was primarily due to increased outside advertising, marketing and promotional costs of $1,548,937, primarily due to increased media advertising; decreased sales brokerage commission costs of $252,000 due to less 2008 cold remedy sales; payroll costs decreased by $1,100,000, mainly due to decreased 2008 general payroll and bonus costs; legal costs decreased by $455,000 and stock promotion decreased by $173,000. Selling, marketing and administrative expenses, by segment, in 2008 were Cold Remedy $11,662,725; Pharma, $718,076; and Contract Manufacturing, $1,520,358; as compared to expenses in 2007 of $12,387,758, $602,409 and $1,631,445, respectively.

Research and development costs for 2008 and 2007 were $4,241,724 and $6,482,485, respectively. Principally, the decrease in research and development expenditure was the result of decreased Pharma study costs of approximately $2,200,000 in 2008.

During 2008, the Company's major operating expenses of salaries, brokerage commissions, promotion, advertising, and legal costs accounted for approximately $12,412,984 (68.4%) of the total operating expenses of $18,142,883, a decrease of 3.0% over the 2007 amount of $12,790,768 (60.6%) of total operating expenses of $21,104,097, largely the result of increased advertising and promotion, decreased brokers commission, decreased legal costs and decreased payroll costs in 2008.

Total assets of the Company at December 31, 2008 and 2007 were $24,368,631 and $33,501,921, respectively. Working capital decreased by $4,505,948 to $14,071,676 at December 31, 2008. The primary influences on working capital during 2008 were: the decrease in cash balances; decreased accounts receivable balances; decreased inventory on hand; decreased other liabilities and decreased advertising payable balances due to variations in advertising scheduling and strategies between years and related seasonal factors.

On February 29, 2008, the Company sold Darius to InnerLight Holdings, Inc. Darius, through its wholly-owned subsidiary, Innerlight Inc., constituted the Health and Wellness segment of the Company. The divestiture of Darius will provide clarity to the Company's strategic plan to focus its future endeavors in a pharmaceutical entity with OTC products and a pipeline of potential formulations that may lead to prescription and other medicinal products. The sale of this segment has been treated as discontinued operations and all periods presented have been reclassified.

Year ended December 31, 2007 compared with same period 2006

Net sales for 2007 were $28,241,502 compared to $26,850,030 for 2006, reflecting an increase of 5.2% in 2007. Revenues, by segment, for 2007 were Cold Remedy, $25,730,016 and Contract Manufacturing, $2,511,486; as compared to 2006, when the revenues for each respective segment were $24,815,851 and $2,034,179.

The Cold Remedy segment reported a sales increase in 2007 of $914,165 or 3.7%. This increase reflects the launch of the Organix™ and Immune products in the third quarter 2007, contributing combined net sales of $2,017,316. Additionally, the Cold-Eeze price increase to the trade on July 1, 2007 contributed additional net sales amount of approximately $2,250,000. The 2007 sales activity indicates reduced unit sales of Cold-Eeze to retail which is reflective of IRI reports indicating a substantial decrease in unit consumption of Cold-Eeze in 2007, both in the fourth quarter and over the twelve month period. Available IRI reports indicate that the 2007 cough/cold season had the lowest reported incidence of the common cold in over eight years, a factor which had consequences across the cough/cold category. Revenues of this segment were also negatively impacted by the reduction in warehouse and retail inventory levels of several key retail outlets. New competitor products continue to enter into the retail arena and vie for visibility in an already congested category. Unlike Cold-Eeze, which is clinically proven to treat the common cold, many of these new products are without any evidence of clinical effectiveness. The Company is continuing to strongly support Cold-Eeze as a clinically proven cold remedy product through in-store promotion, media advertising and the introduction of new flavors.

The Contract Manufacturing segment refers to the third party sales generated by QMI. In addition to the manufacture of the Cold-Eeze® product, QMI also manufactures a variety of hard and organic candies under its own brand names along with other products on a contract manufacturing basis for other customers. Sales for this segment in 2007 increased by $477,307 or 23.5%.

Cost of sales from continuing operations for 2007 as a percentage of net sales was 34.3%, compared to 34.7% for 2006. The cost of sales percentage for the Cold Remedy segment decreased in 2007 by 1.6% primarily due to the impact of the discontinuation of the Company's royalty obligations to the developers in May 2007, a favorable effect of 3.4% in 2007, the launch of the two new products and the impact of the Cold-Eeze price increase resulted in a combined increase in cost of 0.7% and the adverse impact of the coupon programs on cost of goods was 1.4%.

The 2007 and 2006 consolidated cost of sales were both favorably impacted as a result of the consolidation effects of the manufacturing facility as it relates to Cold-Eeze®. These gross profit gains of the Cold Remedy segment were mitigated by substantially lower gross profit margins for the Contract Manufacturing segment, which is significantly lower than the other operating segments.

Selling, marketing and administrative expenses for 2007 were $14,621,612 compared to $14,921,437 in 2006. The decrease in 2007 was primarily due to decreased outside advertising product marketing and promotional costs of $2,054,000, primarily due to a reduction in media advertising with a change to various coupon programs the costs of which are accounted for as a reduction from sales. Sales brokerage commission costs increased by $275,000 due to increased 2007 cold remedy sales; payroll costs increased by $1,157,000, mainly due to increased 2007 bonuses; legal costs increased by $127,000, insurance costs decreased by $419,000, stock promotion increased by $184,000. Selling, marketing and administrative expenses, by segment, in 2007 were Cold Remedy $12,387,758; Pharma $602,409; and Contract Manufacturing $1,631,445; as compared to 2006 of $12,605,400, $743,465 and $1,572,572, respectively.

Research and development costs for 2007 and 2006 were $6,482,485 and $3,787,498, respectively. Principally, the increase in research and development expenditure was the result of increased Pharma study costs of approximately $2,772,000 in 2007.

During 2007, the Company's major operating expenses of salaries, brokerage commissions, promotion, advertising, and legal costs accounted for approximately $12,790,768 (60.6%) of the total operating expenses of $21,104,097, a decrease of 2.0% over the 2006 amount of $13,054,170 (69.8%) of total operating expenses of $18,708,935, largely the result of decreased advertising, increased brokers commission and increased payroll costs in 2007.

Total assets of the Company at December 31, 2007 and 2006 were $33,501,921 and $34,845,034, respectively. Working capital decreased by $1,963,649 to $18,577,624 at December 31, 2007. The primary influences on working capital during 2007 were: the decrease in cash balances, increased inventory on hand; increased accrued royalties and sales commissions as a result of litigation between the Company and the developer of Cold-Eeze, increased other liabilities and decreased advertising payable balances due to variations in advertising scheduling and strategies between years and related seasonal factors.

Material Commitments and Significant Agreements

Effective October 1, 2004, the Company acquired certain assets and assumed certain liabilities of JoEl, Inc., the sole manufacturer of the Cold-Eeze® lozenge product. As part of the acquisition, the Company entered into a loan obligation in the amount of $3.0 million payable to PNC Bank, N.A. The loan was collateralized by mortgages on real property located in each of Lebanon, Pennsylvania and Elizabethtown, Pennsylvania and was used to finance the majority of the cash portion of the purchase price. The Company could elect interest rate options of either the Prime Rate or LIBOR plus 200 basis points. The loan was payable in eighty-four equal monthly principal payments of $35,714 commencing November 1, 2004, and such amounts payable were reflected in the consolidated balance sheet as current portion of long-term debt amounting to $428,571 and long-term debt amounting to $1,035,715 at December 31, 2005. The loan was completely repaid in 2006. During the duration of the loan, the Company was in compliance with all related loan covenants.

With the exception of the Company's Cold-EezeÒ brand lozenge products and QMI's sales to third party customers, the Company's products are manufactured by outside sources. The Company has agreements in place with these manufacturers, which ensure a reliable source of product for the future.

The Company has agreements in place with independent brokers whose function is to represent the Company's Cold-EezeÒ products, in a product sales and promotion capacity, throughout the United States and internationally. The brokers are remunerated through a commission structure, based on a percentage of sales collected, less certain deductions.

The Company has maintained 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, which expired in May 2007. However, the Company and the developer are in litigation and as such, no potential offset for these fees from such litigation has been recorded. A founder's commission totaling 5%, on sales collected, less certain deductions, has been paid to two of the officers of the Company, who are also directors and stockholders of the Company, and whose agreements expired in May 2005. The expenses for the respective periods relating to such agreements amounted to zero, $293,266 and $1,153,354 for the year ended December 31, 2008, 2007 and 2006, respectively. Amounts accrued for these expenses at December 31, 2008 and 2007 were $3,524,031 on both dates.

On February 24, 2009, The Quigley Corporation announced that it had signed a license with assignment of ownership agreement for its patented formulation QR-340 developed by its wholly owned subsidiary, Pharma. The compound has been clinically tested and shown to improve the appearance of scars in a comparative study. The Agreement is with Levlad, LLC/Natures Gate, a manufacturer and marketer of personal care products based on botanicals.

The general terms of the agreement allow the assignee to further refine, develop and commercialize the product with exclusivity and eventual full ownership of the patent within five years, beginning January 2009. The agreement is based on required royalty payments totaling $1.1 million to The Quigley Corporation over the time period. Under the terms of the agreement, if the minimum payments and terms are not met within the five year period, the Company retains full rights and ownership of the property. However, Levlad can continue to pay per unit royalties beyond five years for a non-exclusive license.

Certain operating leases for office and warehouse space maintained by the Company resulted in rent expense for the years ended December 31, 2008, 2007 and 2006, of $53,200, $68,436, and $60,735, respectively. The future minimum lease obligations under these operating leases are approximately $19,400.

Liquidity and Capital Resources

The Company had working capital of $14,071,676 and $18,577,624 at December 31, 2008 and 2007, respectively. Changes in working capital overall have been primarily due to the following items: cash balances decreased by $3,176,750; account receivable balances, net, decreased by $2,125,019 due to decreased cold remedy sales and effective collection practices; inventory decreased by $1,134,510 primarily due to reduced cold remedy sales and obsolescence provisions, other current liabilities decreased by $1,739,074 primarily due to reduced payroll, legal and research and development accruals; accrued royalties and sales commissions decreased by $67,768 largely due to decreased cold remedy sales. Total cash balances at December 31, 2008 were $11,956,796 compared to $15,133,546 at December 31, 2007.

Management believes that its strategy to establish Cold-EezeÒ as a recognized brand name, its broader range of products, adequate manufacturing capacity, together with its current working capital, should provide an internal source of capital to fund the Company's normal business operations. The operations of the Company contribute to the current research and development expenditures of the Ethical Pharmaceutical segment. In addition to the funding from operations, the Company may in the short and long term raise capital through the issuance of equity securities or secure other financing resources to support such research. As research progresses on certain formulations, expenditures of the Pharma segment will require substantial financial support and would necessitate the consideration of other approaches such as licensing or partnership arrangements that meet the Company's long term goals and objectives. Ultimately, should internal working capital or internal funding be insufficient, there is no guarantee that other financing resources will become available, thereby deferring future growth and development of certain formulations.

On February 29, 2008, the Company sold Darius to InnerLight Holdings, Inc., whose major shareholder is Mr. Kevin P. Brogan, the current president of Darius. The terms of the agreement include a cash purchase price of $1,000,000 by InnerLight Holdings, Inc. for the stock of Darius and its subsidiaries without guarantees, warranties or indemnifications. Darius markets health and wellness products through its wholly-owned subsidiary, Innerlight Inc., which constituted the Health and Wellness segment of the Company. Losses from this segment in recent times have reduced the resources available for the research and development activities of the Pharma segment. Additionally, the divestiture of Darius will provide clarity to the Company's strategic plan to focus its future endeavors in a pharmaceutical entity with OTC products and a pipeline of potential formulations that may lead to prescription and other medicinal products. The sale of this segment has been treated as discontinued operations and all periods presented have been reclassified.

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 or income from continuing 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 year.

Contractual Obligations

The Company's future contractual obligations and commitments at December 31, 2008 consist of the following:

		Payment Due by Period			
Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Operating Lease Obligations	$ 19,406	$ 19,406	$ -	$ -	$ -
Purchase Obligations	3,347,000	1,355,000	1,992,000	-	-
Research and Development	442,000	442,000	-	-	-
Advertising	1,920,173	1,920,173	-	-	-
Total Contractual Obligations	$ 5,728,579	$ 3,736,579	$ 1,992,000	$ -	$ -

Off-Balance Sheet Arrangements

It is not the Company's usual business practice to enter into off-balance sheet arrangements such as guarantees on loans and financial commitments and retained interests in assets transferred to an unconsolidated entity for securitization purposes. Consequently, the Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Impact of Inflation

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's operations are not subject to risks of material foreign currency fluctuations, nor does it use derivative financial instruments in its investment practices. The Company places its marketable investments in instruments that meet high credit quality standards. The Company does not expect material losses with respect to its investment portfolio or exposure to market risks associated with interest rates. The impact on the Company's results of one percentage point change in short-term interest rates would not have a material impact on the Company's future earnings, fair value, or cash flows related to investments in cash equivalents or interest-earning marketable securities.

Current economic conditions may cause a decline in business and consumer spending which could adversely affect the Company's business and financial performance including the collection of accounts receivables, realization of inventory and recoverability of assets. In addition, the Company's business and financial performance may be adversely affected by current and future economic conditions, including due to a reduction in the availability of credit, financial market volatility and recession.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

THE QUIGLEY CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31, 2008	December 31, 2007
CURRENT ASSETS:		
Cash and cash equivalents	$ 11,956,796	$ 15,133,546
Accounts receivable (net of doubtful accounts of $131,162 and $178,144)	4,523,519	6,648,538
Inventory	3,001,001	4,135,511
Prepaid expenses and other current assets	1,185,113	810,106
Assets of discontinued operations	-	2,107,589
TOTAL CURRENT ASSETS	20,666,429	28,835,290
PROPERTY, PLANT AND EQUIPMENT – net	3,666,748	4,337,540
OTHER ASSETS:		
Other assets	35,454	280,654
Assets of discontinued operations	-	48,437
TOTAL OTHER ASSETS	35,454	329,091
TOTAL ASSETS	$ 24,368,631	$ 33,501,921

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	$ 693,839	$ 454,963
Accrued royalties and sales commissions	3,791,519	3,859,287
Accrued advertising	1,306,341	1,369,759
Other current liabilities	803,054	2,542,128
Liabilities of discontinued operations	-	2,031,529
TOTAL CURRENT LIABILITIES	6,594,753	10,257,666
COMMITMENTS AND CONTINGENCIES (Note 9)		
STOCKHOLDERS' EQUITY:		
Common stock, $.0005 par value; authorized 50,000,000; Issued: 17,554,436 and 17,499,186 shares	8,777	8,750
Additional paid-in-capital	37,599,405	37,535,523
Retained earnings	5,353,855	10,888,141
Less: Treasury stock, 4,646,053 and 4,646,053 shares, at cost	(25,188,159)	(25,188,159)
TOTAL STOCKHOLDERS' EQUITY	17,773,878	23,244,255
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 24,368,631	$ 33,501,921

See accompanying notes to consolidated financial statements

THE QUIGLEY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
NET SALES	$ 20,506,612	$ 28,241,502	$ 26,850,030
COST OF SALES	9,093,593	9,685,361	9,305,132
GROSS PROFIT	11,413,019	18,556,141	17,544,898
OPERATING EXPENSES:			
Sales and marketing	5,958,031	4,994,947	6,812,630
Administration	7,943,128	9,626,665	8,108,807
Research and development	4,241,724	6,482,485	3,787,498
TOTAL OPERATING EXPENSES	18,142,883	21,104,097	18,708,935
LOSS FROM OPERATIONS	(6,729,864)	(2,547,956)	(1,164,037)
OTHER INCOME (EXPENSE)			
Interest income	320,062	691,684	726,627
Interest expense	-	-	(21,644)
TOTAL OTHER INCOME, NET	320,062	691,684	704,983
LOSS FROM CONTINUING OPERATIONS BEFORE TAXES	(6,409,802)	(1,856,272)	(459,054)
INCOME TAXES	-	-	88,599
LOSS FROM CONTINUING OPERATIONS	(6,409,802)	(1,856,272)	(547,653)
DISCONTINUED OPERATIONS:			
Gain on disposal of health and wellness operations	736,252	-	-
Income (Loss) from discontinued operations	139,264	(602,065)	(1,200,692)
NET LOSS	$ (5,534,286)	$ (2,458,337)	$ (1,748,345)
(Loss) Earnings per common share:			
Loss from continuing operations	$ (0.50)	$ (0.14)	$ (0.04)
Income (Loss) from discontinued operations	$ 0.07	$ (0.05)	$ (0.10)
Net Loss	$ (0.43)	$ (0.19)	$ (0.14)
Diluted earnings per common share:			
Loss from continuing operations	$ (0.50)	$ (0.14)	$ (0.04)
Income (Loss) from discontinued operations	$ 0.07	$ (0.05)	$ (0.10)
Net Loss	$ (0.43)	$ (0.19)	$ (0.14)
Weighted average common shares outstanding:			
Basic	12,877,983	12,728,706	12,245,073
Diluted	12,877,983	12,728,706	12,245,073

See accompanying notes to consolidated financial statements

THE QUIGLEY CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Issued Amount	Additional Paid-in-Capital	Treasury Stock	Retained Earnings	Total
Balance December 31, 2005	**11,714,471**	**$ 8,180**	**$ 35,404,803**	**$ (25,188,159)**	**$ 15,094,823**	**$ 25,319,647**
Tax benefits from options, warrants & common stock			2,484,330			2,484,330
Tax benefit allowance			(2,484,330)			(2,484,330)
Proceeds from options and warrants exercised	1,011,155	505	1,957,630			1,958,135
Stock Cancellation	(40,993)	(20)	20			-
Net Loss					(1,748,345)	(1,748,345)
Balance December 31, 2006	**12,684,633**	**8,665**	**37,362,453**	**(25,188,159)**	**13,346,478**	**25,529,437**
Tax benefits from options, warrants & common stock			153,631			153,631
Tax benefit allowance			(153,631)			(153,631)
Proceeds from options and warrants exercised	168,500	85	173,070			173,155
Net Loss					(2,458,337)	(2,458,337)
Balance December 31, 2007	**12,853,133**	**8,750**	**37,535,523**	**(25,188,159)**	**10,888,141**	**23,244,255**
Tax benefits from options, warrants & common stock			67,717			67,717
Tax benefit allowance			(67,717)			(67,717)
Proceeds from options exercised	55,250	27	63,882			63,909
Net Loss					(5,534,286)	(5,534,286)
Balance December 31, 2008	**12,908,383**	**$ 8,777**	**$ 37,599,405**	**$ (25,188,159)**	**$ 5,353,855**	**$ 17,773,878**

See accompanying notes to consolidated financial statements

THE QUIGLEY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
OPERATING ACTIVITIES:			
Net loss	$ (5,534,286)	$ (2,458,337)	$ (1,748,345)
Adjustments to reconcile net loss to net cash provided by continuing operations:			
Loss on asset impairment	100,000	-	-
Depreciation and amortization	743,670	937,852	1,145,792
Loss on the sales of fixed assets	10,188	-	-
Bad debts provision	(403)	8,647	(14,901)
(Increase) decrease in assets:			
Accounts receivable	2,125,436	(139,741)	1,282,751
Inventory	1,134,510	(781,098)	(88,188)
Prepaid expenses and other current assets	(375,007)	7,504	333,268
Other assets	245,200	(97,766)	(72,031)
Increase (decrease) in liabilities:			
Accounts payable	238,876	(206,992)	120,415
Accrued royalties and sales commissions	(67,768)	342,788	494,548
Accrued advertising	(63,418)	(770,498)	(710,155)
Other current liabilities	(1,739,074)	1,288,253	(232,906)
Total adjustments	2,352,210	588,949	2,258,593
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(3,182,076)	(1,869,388)	510,248
INVESTING ACTIVITIES:			
Capital expenditures	(199,764)	(521,287)	(587,642)
Proceeds from the sale of fixed assets	16,697	-	118,276
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(183,067)	(521,287)	(469,366)
FINANCING ACTIVITIES:			
Principal payments on debt	-	-	(1,464,286)
Stock options and warrants exercised	63,909	173,155	1,958,135
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	63,909	173,155	493,849
DISCONTINUED OPERATIONS:			
(Gain) Loss from discontinued operations	(875,516)	1,060,447	(628,000)
Proceeds from sale of discontinued operations	1,000,000	-	-
NET CASH FLOWS PROVIDED (USED) BY DISCONTINUED OPERATIONS	124,484	1,060,447	(628,000)
NET DECREASE IN CASH & CASH EQUIVALENTS	(3,176,750)	(1,157,073)	(93,269)
CASH & CASH EQUIVALENTS, BEGINNING OF PERIOD	15,133,546	16,290,619	16,383,888
CASH & CASH EQUIVALENTS, END OF PERIOD	$ 11,956,796	$ 15,133,546	$ 16,290,619
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for:			
Interest	$ -	$ -	$ 21,644
Taxes	$ -	$ -	$ 88,599

See accompanying notes to consolidated financial statements

THE QUIGLEY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND BUSINESS

The Company, headquartered in Doylestown, Pennsylvania, is a leading manufacturer, marketer and distributor of a diversified range of homeopathic and health products which comprise the Cold Remedy and Contract Manufacturing segments. The Company is also involved in the research and development of potential prescription and other medicinal products that comprise the Ethical Pharmaceutical segment.

The Company's business is the manufacture and distribution of cold remedy products to the consumer through the over-the-counter marketplace. One of the Company's key products in its Cold Remedy segment is Cold-EezeÒ, a zinc gluconate glycine product proven in two double-blind clinical studies to reduce the duration and severity of the common cold symptoms by nearly half. Cold-Eeze® is now an established product in the health care and cold remedy market.

Effective October 1, 2004, the Company acquired substantially all of the assets of JoEl, Inc., the previous manufacturer of the Cold-EezeÒ lozenge product. This manufacturing entity, now called Quigley Manufacturing Inc. ("QMI"), a wholly-owned subsidiary of the Company, will continue to produce lozenge product along with performing such operational tasks as warehousing and shipping the Company's Cold-EezeÒ products. In addition, QMI produces a variety of hard and organic candy for sale to third party customers in addition to performing contract manufacturing activities for non-related entities. On February 2, 2009, the Company announced its intention to close the Elizabethtown location of Quigley Manufacturing Inc., and discontinue the hard candy business resulting in the consolidation of manufacturing operations at the Lebanon location. This consolidation will have no impact on the production or distribution of the Cold-EezeÒ brand of cold remedy products.

In January 2001, the Company formed an Ethical Pharmaceutical segment, Quigley Pharma Inc. ("Pharma"), that is under the direction of its Executive Vice President and Chairman of its Medical Advisory Committee. Pharma was formed for the purpose of research and development of potential natural base health products, including, but not limited to, prescription medicines along with supplements and cosmeceuticals for human and veterinary use. Pharma is currently undergoing research and development activity in compliance with regulatory requirements. The Company is in the initial stages of what may be a lengthy process to develop these patent applications into commercial products.

On February 29, 2008, the Company sold Darius International Inc. ("Darius") to InnerLight Holdings, Inc., whose major shareholder is Mr. Kevin P. Brogan, the then president of Darius. Darius marketed health and wellness products through its wholly-owned subsidiary, Innerlight Inc. that constituted the Health and Wellness segment of the Company. The terms of the sale agreement included a cash purchase price of $1,000,000 by InnerLight Holdings, Inc. for the stock of Darius and its subsidiaries without guarantees, warranties or indemnifications. Financial information related to this former segment is presented as Discontinued Operations. See discussion in Note 3 to Consolidated Financial Statements.

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 the requirements associated with the development of Pharma's potential prescription drugs and other medicinal products in order to continue to compete on a national and international level. The business development of the Company is dependent on 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.

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® 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.

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. Effective March 31, 2004, the financial statements include consolidated variable interest entities ("VIEs") of which the Company is the primary beneficiary. (See discussion in Note 4, "Variable Interest Entity.")

Use of Estimates

The Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United Sates of America. In connection with the preparation of the consolidated financial statements, the Company is required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. These assumptions, estimates and judgments are based on historical experience, current trends and other factors that management believes to be relevant at the time the consolidated financial statements are prepared. Management reviews the accounting policies, assumptions, estimates and judgments on a quarterly basis to ensure the financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from these assumptions and estimates, and such differences could be material.

The Company is organized into three different but related business segments, Cold Remedy, Contract Manufacturing and Ethical Pharmaceutical. When providing for the appropriate sales returns, allowances, cash discounts and cooperative incentive program costs, each segment applies a uniform and consistent method for making certain assumptions for estimating these provisions that are applicable to each specific segment. Traditionally, these provisions are not material to reported revenues in the Contract Manufacturing segments and the Ethical Pharmaceutical segment does not have any revenues.

Provisions to these reserves within the Cold Remedy segment include the use of such estimates, which are applied or matched to the current sales for the period presented. These estimates are based on specific customer tracking and an overall historical experience to obtain an applicable effective rate. Estimates for sales returns are tracked at the specific customer level and are tested on an annual historical basis, and reviewed quarterly, as is the estimate for cooperative incentive promotion costs. Cash discounts follow the terms of sales and are taken by virtually all customers. Additionally, the monitoring of current occurrences, developments by customer, market conditions and any other occurrences that could affect the expected provisions for any future returns or allowances, cash discounts and cooperative incentive promotion costs relative to net sales for the period presented are also performed.

Cash Equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less at the time of purchase to be cash equivalents. Cash equivalents include cash on hand and monies invested in money market funds. The carrying amount approximates the fair market value due to the short-term maturity of these investments.

Inventories

Inventory is valued at the lower of cost, determined on a first-in, first-out basis (FIFO), or market. Inventory items are analyzed to determine cost and the market value and appropriate valuation reserves are established. The consolidated financial statements include a reserve for excess or obsolete inventory of $1,200,803 and $368,491 as of December 31, 2008 and 2007, respectively. Inventories included raw material, work in progress and packaging amounts of approximately $975,000 and $1,197,000 at December 31, 2008 and December 31, 2007, respectively, with the remainder comprising finished goods.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The Company uses a combination of straight-line and accelerated methods in computing depreciation for financial reporting purposes. The annual provision for depreciation has been computed in accordance with the following ranges of estimated asset lives: building and improvements - twenty to thirty nine years; machinery and equipment - five to seven years; computer software - three years; and furniture and fixtures – seven years.

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 several major financial institutions. Due to the nature of the funds maintained by the Company, all fund balances are completely guaranteed due to the Temporary Guarantee Program for Money Market Funds and the unlimited FDIC coverage available to non-interest bearing transaction accounts. The Company will continue to monitor these programs as they contain future expiry dates and to limit the amount of credit exposure with any one financial 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'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 48% for the year ended December 31, 2008, 49% for the year ended December 31, 2007, and 47% for the year ended December 31, 2006. Customers comprising the five largest accounts receivable balances represented 55% and 40% of total trade receivable balances at December 31, 2008 and 2007, respectively. During 2008, 2007 and 2006, effectively all of the Company's revenues were related to domestic markets.

The Company's revenues are currently generated from the sale of the Cold Remedy products which approximated 89%, 91% and 92% of total revenues in the twelve month periods ended December 31, 2008, 2007 and 2006, respectively. The Contract Manufacturing segment approximated 11%, 9% and 8% for the year ended December 31, 2008, 2007 and 2006, respectively.

Raw materials used in the production of the products are available from numerous sources. Raw materials for the Cold-Eeze® lozenge product are currently procured from a single vendor in order to secure purchasing economies. In a situation where this one vendor is not able to supply QMI with the ingredients, other sources have been identified. Should these product sources 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.

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 undiscounted cash flows. In 2008, the Company recognized an impairment charge of $300,000 due to adverse profit margins related to the hard candy business of QMI with such expense reflected in cost of sales.

Revenue Recognition

Sales are recognized at the time ownership is transferred to the customer, which for the Cold Remedy segment is the time the shipment is received by the customer and for the Contract Manufacturing segment, when the product is shipped to the customer. Revenue is reduced for trade promotions, estimated sales returns, cash discounts and other allowances in the same period as the related sales are recorded. The Company makes estimates of potential future product returns and other allowances related to current period revenue. The Company analyzes historical returns, current trends, and changes in customer and consumer demand when evaluating the adequacy of the sales returns and other allowances. The consolidated financial statements include reserves of $1,427,045 for future sales returns and $280,973 for other allowances as of December 31, 2008 and $295,606 and $347,103 at December 31, 2007, respectively. The reserves also include an estimate of the uncollectability of accounts receivable resulting in a reserve of $131,162 at December 31, 2008 and $178,144 at December 31, 2007.

Cost of Sales

For the Cold Remedy segment, in accordance with contract terms, payments calculated based upon net sales collected to the patent holder of the Cold-Eeze formulation and payments to the corporation founders (this agreement terminated in 2005) and developers of the final saleable Cold-Eeze product (this agreement terminated in 2007) amounting to zero, $293,266 and $1,153,354, respectively, at December 31, 2008, 2007 and 2006 are presented in the financial statements as cost of sales.

Operating expenses

Agreements relating to the Cold Remedy segment with a major national sales brokerage firm are for this firm to sell the manufactured Cold-Eeze product to our customers. Such related costs are presented in the financial statements as selling expenses.

Shipping and Handling

Product sales relating to the Cold Remedy and Contract Manufacturing segments carry shipping and handling charges to the purchaser, included as part of the invoiced price, which is classified as revenue. 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 the Company became publicly traded. Options and warrants are exercisable during a period determined by the Company, but in no event later than ten years from the date granted.

No stock options were granted to employees and non-employees in 2008, 2007 and 2006, respectively.

Advertising and Incentive Promotions

Advertising and incentive promotion costs are expensed within the period in which they are utilized. Advertising and incentive promotion expense is comprised of media advertising, presented as part of sales and marketing expense; co-operative incentive promotions and coupon program expenses, which are accounted for as part of net sales; and free product, which is accounted for as part of cost of sales. Advertising and incentive promotion costs incurred for the years ended December 31, 2008, 2007 and 2006 were $7,654,452, $7,290,065, and $7,703,426, respectively. Included in prepaid expenses and other current assets was $241,971 and $158,428 at December 31, 2008 and 2007 relating to prepaid advertising and promotion expenses.

Research and Development

Research and development costs are charged to operations in the period incurred. Expenditures for the years ended December 31, 2008, 2007 and 2006 were $4,241,724, $6,482,485 and $3,787,498, respectively. Principally, research and development costs are related to Pharma's study activities and costs associated with Cold-EezeÒ.

Income Taxes

The Company utilizes the 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. 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. (See Note 13 – "Income Taxes" for further discussion.)

Effective January 1, 2007, the Company adopted Financial Interpretation ("FIN") No. 48,*Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement No. 109*. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation contains a two-step approach to recognizing and measuring uncertain tax positions accounted for in accordance with SFAS No. 109. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than fifty percent likely of being realized upon ultimate settlement. The interpretation also provides guidance on derecognition, classification, interest and penalties, and other matters. The adoption did not have an effect on the consolidated financial statements.

As a result of the Company's continuing tax losses, the Company has recorded a full valuation allowance against a net deferred tax asset. Additionally, the Company has not recorded a liability for unrecognized tax benefits for December 31, 2008 and 2007.

The major jurisdiction for which the Company files income tax returns is the United States. The Internal Revenue Service has examined the Company's tax year ended September 30, 2005 and has made no changes to the filed tax returns. The tax years 2004 and forward remain open to examination by the various taxing authorities to which the Company is subject.

Fair Value of Financial Instruments

Cash and cash equivalents, accounts receivable and accounts payable are reflected in the consolidated financial statements at carrying value which approximates fair value because of the short-term maturity of these instruments. The fair value of past periods' long-term debt was approximately equivalent to its carrying value due to the fact that the interest rates then available to the Company for debt with similar terms were approximately equal to the interest rates for the Company's debt. Determination of the fair value of related party payables is not practicable due to their related party nature.

Recently Issued Accounting Standards

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, "*Fair Value Measurements*" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The adoption of this standard has not had a significant impact on the Company's consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities*", including an amendment of FASB No. 115 ("FAS 159"). The Statement permits companies to choose to measure many financial instruments and certain other items at fair value in order to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. FAS 159 is effective for the Company beginning January 1, 2008. The adoption of this standard has not had a significant impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2007, the FASB issued Statement of Financial Accounting Standard No. 160, *"Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51"* ("FAS 160"). FAS 160 establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the retained interest and gain or loss when a subsidiary is deconsolidated. This statement is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 with earlier adoption prohibited. The adoption of this standard is not expected to have a significant impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 141R, *"Business Combinations,"* ("SFAS 141R") which establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, and interim periods within those fiscal years. The adoption of this standard will not have any impact on the Company's consolidated financial position, results of operations or cash flows.

NOTE 3 – DISCONTINUED OPERATIONS

On February 29, 2008, the Company sold Darius to InnerLight Holdings, Inc., whose major shareholder is Mr. Kevin P. Brogan, the then president of Darius. The Quigley Corporation formed Darius in 2000 to introduce new products to the marketplace through a network of independent distributor representatives. Darius marketed health and wellness products through its wholly-owned subsidiary, Innerlight Inc. that constituted the Health and Wellness segment of the Company. The terms of the sale agreement include a cash purchase price of $1,000,000 by InnerLight Holdings, Inc. for the stock of Darius and its subsidiaries without guarantees, warranties or indemnifications.

Sales of Darius in 2008 until date of disposal on February 29, 2008 and for the twelve month periods ended December 31, 2007 and 2006 were, respectively, $2,188,815, $11,233,879 and $15,274,940. Net income (losses) for 2008 until date of disposal on February 29, 2008 and for the twelve month periods ended December 31, 2007 and 2006, were $139,264, ($602,065) and ($1,200,692), respectively. Results of Darius are presented as discontinued operations in the Consolidated Statements of Operations and Cash Flows and in the Consolidated Balance Sheets. The major classes of balance sheet items of discontinued operations at December 31, 2007 were cash, inventory, prepaid expenses and other current liabilities.

The Company recorded a gain on the disposal of Darius of $736,252, as a result of sales proceeds of $1,000,000 less residual investment of $5,000 and net assets of Darius of $258,748 on the date of sale.

NOTE 4 – VARIABLE INTEREST ENTITY

In December 2003, the Financial Accounting Standards Board (FASB or the "Board") issued FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities* (FIN 46R), to address certain implementation issues. FIN 46R varies significantly from FASB Interpretation No. 46, *Consolidation of Variable Interest Entities ("VIE")* (FIN 46), which it supersedes. FIN 46R requires the application of either FIN 46 or FIN 46R by "Public Entities" to all Special Purpose Entities ("SPEs") at the end of the first interim or annual reporting period ending after December 15, 2003. FIN 46R is applicable to all non-SPEs created prior to February 1, 2003 by Public Entities that are not small business issuers at the end of the first interim or annual reporting period ending after March 15, 2004. Effective March 31, 2004, the Company adopted FIN 46R for VIE's formed prior to February 1, 2003. The Company had determined that Scandasystems, a related party, qualified as a variable interest entity and the Company consolidated Scandasystems beginning with the quarter ended March 31, 2004. Due to the fact that the Company had no long-term contractual commitments or guarantees, the maximum exposure to loss was insignificant.

The Company has determined that the conditions that applied in the past giving rise to the application of FIN 46R to the relationship between the Company and Scandasystems no longer apply. Therefore, effective with quarter ended March 31, 2008, Scandasystems balances were no longer consolidated with the Company's financial results and balances.

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

Consisted of the following as of:

	December 31, 2008	December 31, 2007
Land	$ 538,791	$ 538,791
Buildings and improvements	2,691,610	2,688,158
Machinery and equipment	4,933,197	4,988,292
Computer software	134,007	113,013
Furniture and fixtures	238,788	235,544
	8,536,393	8,563,798
Less: Accumulated depreciation	4,869,645	4,226,258
Property, Plant and Equipment, net	$ 3,666,748	$ 4,337,540

Depreciation expense for the years ended December 31, 2008, 2007 and 2006 was $743,670, $937,852, and $1,145,792, respectively. During the year ended December 31, 2008, the Company retired equipment with an original cost of approximately $127,169 and accumulated depreciation of approximately $100,283. In addition, an amount of $100,000 was recorded during the year ended December 31, 2008 representing impairment costs of fixed assets at the Elizabethtown, Pennsylvania, manufacturing facility.

NOTE 6 – PATENT RIGHTS AND RELATED ROYALTY COMMITMENTS

The Company has maintained 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, which expired May 2007. However, the Company and the developer are in litigation (see Note 9) and as such no potential offset for these fees from such litigation has been recorded.

The expense for the respective periods relating to this agreement amounted to zero, $293,266 and $1,153,354, for the years ended December 31, 2008, 2007 and 2006, respectively. Amount accrued for this expense at December 31, 2008 and 2007 was $3,524,031, on both dates.

NOTE 7 – LONG-TERM DEBT

In connection with the Company's acquisition of certain assets of JoEl, Inc. in October 2004, the Company entered into a term loan in the amount of $3 million payable to PNC Bank, N.A. which was collateralized by mortgages on real property located in each of Lebanon and Elizabethtown, Pennsylvania. The Company could elect interest rate options at either the Prime Rate or LIBOR plus 200 basis points. The loan was payable in eighty-four equal monthly principal payments of $35,714 that commenced on November 1, 2004. In April 2005, the Company prepaid an amount of $1.0 million against the outstanding balance on the long-term loan. In April 2006, the Company prepaid the total outstanding balance of approximately $1.3 million.

NOTE 8 – OTHER CURRENT LIABILITIES

Included in other current liabilities are $215,350 and $1,240,767 related to accrued compensation at December 31, 2008 and 2007, respectively.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Certain operating leases for office and warehouse space maintained by the Company resulted in rent expense for the years ended December 31, 2008, 2007 and 2006, of $53,200, $68,436, and $60,735, respectively. The Company has approximate future obligations over the next five years as follows:

Year	Research and Development	Property and Other Leases	Advertising	Product Purchases	Total
2009	$ 442,000	$ 19,406	$ 1,920,173	$ 1,355,000	$ 3,736,579
2010	-	-	-	1,321,000	1,321,000
2011	-	-	-	671,000	671,000
2012	-	-	-	-	-
2013	-	-	-	-	-
Total	$ 442,000	$ 19,406	$ 1,920,173	$ 3,347,000	$ 5,728,579

Additional advertising and research and development costs are expected to be incurred during the remainder of 2009.

During July 2008, the Company entered into an agreement with a vendor to purchase a minimum order of product, with the amount of approximately $3,347,000 remaining, over a three year period in its capacity as an exclusive reseller, marketer and distributor of a cough and cold product incorporating a patented, proprietary delivery system.

On July 2, 2008, the Company entered into an agreement with Dr. Richard Rosenbloom, Executive Vice President and Chief Operating Officer of Pharma, whereby the Company agreed to compensate Dr. Rosenbloom for assigning, to the Company, the entire right, title and interest in and to Dr. Rosenbloom's concepts and/or inventions made prior to the date he became an employee of The Quigley Corporation. In consideration of, and as full compensation for, the covenants made in the agreement, the Company shall pay Dr. Rosenbloom compensation in the amount of five percent (5%) of net sales collected, less certain deductions, of royalty bearing products. This agreement has no current financial impact to the Company due to the absence of Pharma related sales.

The Company has had other contractual agreements. (See Note 6.)

TESAURO AND ELEY, ET AL. VS. THE QUIGLEY CORPORATION
(CCP of Phila., August Term 2000, No. 001011)

In September 2000, the Company was sued by two individuals (Jason Tesauro and Elizabeth Eley, both residents of Georgia), allegedly on behalf of a "nationwide class" of "similarly situated individuals," in the Court of Common Pleas of Philadelphia County, Pennsylvania. The Complaint further alleges that the plaintiffs purchased certain Cold-Eeze products between August 1996, and November 1999, based upon cable television, radio and internet advertisements, which allegedly misrepresented the qualities and benefits of the Company's products. The Complaint, as pleaded originally, requested an unspecified amount of damages for violations of Pennsylvania's consumer protection law, breach of implied warranty of merchantability and unjust enrichment, as well as a judicial determination that the action be maintained as a class action. In October 2000, the Company filed Preliminary Objections to the Complaint seeking dismissal of the action. The court sustained certain objections, thereby narrowing plaintiffs' claims.

In May 2001, plaintiffs filed a motion to certify the putative class. The Company opposed the motion. In November 2001, the court held a hearing on plaintiffs' motion for class certification. In January 2002, the court denied in part and granted in part plaintiffs' motion. The court denied plaintiffs' motion to certify a class based on plaintiffs' claims under Pennsylvania's consumer protection law, under which plaintiffs sought treble damages, effectively dismissing this cause of action; however, the court certified a class based on plaintiffs' secondary breach of implied warranty and unjust enrichment claims. In August, 2002, the court issued an order adopting a form of Notice of Class Action to be published nationally. Significantly, the form of Notice approved by the court included a provision which limits the potential class members who may potentially recover damages in this action to those persons who present a proof of purchase of Cold-Eeze during the period August 1996 and November 1999.

Afterward, a series of pre-trial motions were filed raising issues concerning trial evidence and the court's jurisdiction over the subject matter of the action. In March, 2005, the court held oral argument on these motions.

Significantly, on November 8, 2006, the Court entered an Order dismissing the case in its entirety on the basis that the action was preempted by federal law. The plaintiffs appealed the Court's decision in December, 2006 to the Superior Court of the Commonwealth of Pennsylvania. On February 19, 2008, the Superior Court upheld defendant's appeal and remanded the case to the Philadelphia County Court of Common Pleas for trial.

The case commenced trial on February 2, 2009. On February 6, 2009, the jury returned a verdict in favor of the Company on all counts. Plaintiffs had to February 17, 2009, to file post-trial motions, the first step in the appeal process. No post-trial motions were filed by the plaintiffs. At this time the Company has no notice as to whether the plaintiffs will attempt to perfect an appeal.

THE QUIGLEY CORPORATION VS. JOHN C. GODFREY, ET AL.
(Bucks Co. CCP, No. 04-07776)

In this action, which was commenced in November 2004, the Company is seeking declaratory and injunctive relief against John C. Godfrey, Nancy Jane Godfrey, and Godfrey Science and Design, Inc. requesting injunctive relief regarding the Cold-Eeze trade name and trademark; injunctive relief relating to the Cold-Eeze formulations and manufacturing methods; injunctive relief for breach of the duty of loyalty, and declaratory judgment pending the Company's payment of commissions to defendants. The Company's Complaint is based in part upon the Exclusive Representation and Distribution Agreement and the Consulting Agreement (together the "Agreements") entered into between the defendants and the Company. The Company terminated the Agreements for the defendants' alleged material breaches of the Agreements. Defendants have answered the complaint and asserted counterclaims against the Company seeking remedies relative to the Agreements. The Company believes that the defendants' counterclaims are without merit and is vigorously defending those counterclaims and is prosecuting its action on its complaint.

The discovery phase of pre-trial discovery is nearing completion. Defendants moved for partial summary judgment, and the Company filed a response and cross-motion for summary judgment. On August 21, 2008, the court denied both motions for summary judgment. The case has not been assigned to a trial calendar, although it is possible that the case will be listed for trial in 2009.

At this time no prediction as to the outcome of this action can be made.

NICODROPS, INC. VS. QUIGLEY MANUFACTURING, INC.

On January 30, 2006, Quigley Manufacturing, Inc., a wholly-owned subsidiary of The Quigley Corporation, was put on notice of a claim by Nicodrops, Inc. Nicodrops, Inc. has claimed that the packaging contained incorrect expiration dates and caused it to lose sales through two (2) retailers. The total alleged sales of Nicodrops was approximately $250,000 and Nicodrops is claiming unspecified damages exceeding $2,000,000.

No suit has been filed. The Company is investigating this claim. Based on its investigation to date, the Company believes the claim is without merit. However, at this time no prediction can be made as to the outcome of this case.

THE QUIGLEY CORPORATION VS. WACHOVIA INSURANCE SERVICES, INC. AND FIRST UNION INSURANCE SERVICES AGENCY, INC.

The Quigley Corporation instituted a Writ of Summons against Wachovia Insurance Services, Inc. and First Union Insurance Services Agency, Inc. on December 8, 2005. The purpose of this suit was to maintain an action and toll the statute of limitation against The Quigley Corporation's insurance broker who failed to place excess limits coverage for the Company for the period from November 29, 2003 until April 6, 2004. As a result of the defendant's failure to place insurance and to notify the Company of its actions, certain pending actions covered by the Company's underlying insurance at the present time may result in certain cases presently being defended by insurance counsel and the underlying insurance carrier to cause an exhaustion of the underlying insurance for the policy periods ending November 29, 2004 and November 29, 2005. Any case in which an alleged action arose by the use of COLD-EEZE Nasal Spray from November 29, 2003 to April 6, 2004 is not covered by excess insurance.

The Company's claim against Wachovia Insurance Services, Inc. and First Union Insurance Services Agency, Inc. is for negligence and for equitable insurance for these claims based on the Company's undertaking of certain attorneys' fees and costs of settlement for claims that should have been covered by underlying insurance placed by Wachovia Insurance Services, Inc.

At this time no prediction can be made as to the outcome of any action against Wachovia Insurance Services, Inc. and First Union Insurance Services Agency, Inc.

TERMINATED LEGAL PROCEEDINGS

CAROLYN SUNDERMEIER VS. THE QUIGLEY CORPORATION
(Pa. C.C.P., Bucks County, Docket No.: 07-01324-26-2)

On February 16, 2007, plaintiff filed an action in the Court of Common Pleas of Bucks County, Pennsylvania. The complaint was served on the Company on February 20, 2007. The action alleges the plaintiff suffered certain losses and injuries as a result of using the Company's nasal spray product. Plaintiff's complaint consists of counts for negligence, strict products liability (failure to warn), strict products liability (defective design), breach of express and implied warranties, and violations under the Pennsylvania Unfair Trade Practices and Consumer Protection Law and other consumer protection statutes.

This action was recently settled at the direction of the insurance carrier out of insurance proceeds.

MONIQUE FONTENOT DOYLE VS. THE QUIGLEY CORPORATION
(U.S.D.C., W.D. La. Docket No.: 6:06CV1497)

On August 31, 2006, the plaintiff filed an action against the Company in the United States District Court for the Western District of Louisiana (Lafayette-Opelousas Division). The action alleges that the plaintiff suffered certain losses and injuries as a result of the Company's nasal spray product. Among the allegations of plaintiff are breach of express warranties and damages pursuant to the Louisiana Products Liability Act.

This case was turned over to The Quigley Corporation for defense and settlement and it was settled for less than the cost of defense after discovery was partially completed. The cost of defense and the settlement remain claims against Wachovia Insurance Services, Inc. and First Union Insurance Services Agency, Inc. The Company's claim against Wachovia Insurance Services, Inc. and First Union Services Agency, Inc. is for negligence and for equitable insurance.

HOWARD POLSKI AND SHERYL POLSKI VS. THE QUIGLEY CORPORATION, ET AL.
(U.S.D.C., D. Minn. Docket No.: 04-4199 PJS/JJG)

On August 12, 2004, plaintiffs filed an action against the Company in the District Court for Hennepin County, Minnesota, which was not served until September 2, 2004. On September 17, 2004, the Company removed the case to the United States District Court for the District of Minnesota. The action alleges that plaintiffs suffered certain losses and injuries as a result of the Company's nasal spray product. Among the allegations of plaintiffs are negligence, products liability, breach of express and implied warranties, and breach of the Minnesota Consumer Fraud Statute.

On September 5, 2007, the Company obtained a judgment in its favor, as a matter of law, and that decision was appealed to the Eighth Circuit Court of Appeals. On August 13, 2008, the Eighth Circuit Court of Appeals upheld the judgment in favor of the Company. The plaintiffs had until December 3, 2008 to file a Petition for Allocatur to the Supreme Court of the United States. No Petition for Allocatur was filed in this case and the Company has a final judgment in its favor.

NOTE 10 – TRANSACTIONS AFFECTING STOCKHOLDERS' EQUITY

On September 8, 1998, the Company's Board of Directors declared a dividend distribution of Common Stock Purchase Rights (individually, a "Right" and collectively, 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 by a similarly constituted party to make a tender or exchange offer resulting in the ownership of 15% or more of the outstanding common shares. 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 50% beneficial ownership of the Company, a stockholder may exchange one Right for one common share of the Company. The final expiration date of the Plan was September 25, 2008, prior to the amendment.

On May 23, 2008, the Company entered into an amendment ("Amendment No. 1") to the Rights Agreement, dated as of September 15, 1998, between the Company and American Stock Transfer & Trust Company (the "Rights Agreement") dated as of May 20, 2008, pursuant to which the term of the Rights Agreement was extended until September 25, 2018. In addition, Amendment No. 1 added a provision pursuant to which the Company's board of directors may exempt from the provisions of the Rights Agreement an offer for all outstanding shares of the Company's common stock that the directors determine to be fair and not inadequate and to otherwise be in the best interests of the Company and its stockholders, after receiving advice from one or more investment banking firms.

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 December 31, 2008, 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 2008 or 2007.

During the year ended December 31, 2008, a total of 55,250 options were exercised.

In July 2004, the Company announced that its Board of Directors had approved a distribution-in-kind to its stockholders of approximately 500,000 shares of common stock of Suncoast Naturals, Inc., now called Patient Portal Technologies, Inc. (OTCBB: PPRG), which it acquired through a sale of the Company's 60% equity interest in Caribbean Pacific Natural Products, Inc. These shares were distributed on the basis of approximately .0434 shares of Suncoast common stock for each share of the Company's common stock owned of record on September 1, 2004, with fractional shares paid in cash. As a result of the Company's dividend-in-kind to stockholders and the issuance of 499,282 shares of common stock of Suncoast in September 2004, representing approximately two-thirds of its common stock ownership, the remaining 25,072 shares (250,718 reverse split 1 for 10 in September 2006) and subsequent shares acquired through a conversion of Suncoast's Preferred stock owned by the Company and now totaling 875,072 shares, owned by the Company which are valued at $26,455 and such amount is included in Other Assets in the Consolidated Balance Sheet at December 31, 2008.

NOTE 11 – STOCK COMPENSATION

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

On December 2, 1997, the Company's Board of Directors approved a new Stock Option Plan ("Plan") which was amended in 2005 and provides for the granting of up to four million five hundred thousand shares of which 1,753,750 remain available for grant at December 31, 2008. Under this Plan, the Company may grant options to employees, officers or directors of the Company at variable percentages of the market value of stock at the date of grant. No incentive stock option shall be exercisable more than ten years after the date of grant or five years where the individual owns more than ten percent of the total combined voting power of all classes of stock of the Company. Stockholders approved the Plan in 1998. No options were granted under this Plan during the years ended December 31, 2008, 2007 and 2006, respectively.

A summary of the status of the Company's stock options and warrants granted to both employees and non-employees as of December 31, 2008, 2007 and 2006 and changes during the years then ended is presented below:

Year Ended December 31, 2008:

	Employees		Non-Employees		Total	
	Shares (,000)	Weighted Average Exercise Price	Shares (,000)	Weighted Average Exercise Price	Shares (,000)	Weighted Average Exercise Price
Options/warrants outstanding						
at beginning of period	1,967	$7.25	515	$9.42	2,482	$7.70
Additions/deductions:						
Granted	-	-	-	-	-	-
Exercised	55	1.16	-	-	55	1.16
Cancelled	159	9.15	-	-	159	9.15
Options/warrants outstanding						
at end of period	1,753	$7.27	515	$9.42	2,268	$7.76
Options/warrants exercisable						
at end of period	1,753	$7.27	515	$9.42	2,268	$7.76
Weighted average fair value of						
grants for the year	-	-	-	-	-	-
Price range of options/warrants:						
Exercised	$ 0.81 - $ 1.26		-		$ 0.81 - $ 1.26	
Outstanding	$ 0.81 - $13.80		$ 0.81 - $13.80		$ 0.81 - $13.80	
Exercisable	$ 0.81 - $13.80		$ 0.81 - $13.80		$ 0.81 - $13.80	

Year Ended December 31, 2007:

	Employees		Non-Employees		Total	
	Shares (,000)	Weighted Average Exercise Price	Shares (,000)	Weighted Average Exercise Price	Shares (,000)	Weighted Average Exercise Price
Options/warrants outstanding						
at beginning of period	3,072	$7.71	525	$9.42	3,597	$7.96
Additions/deductions:						
Granted	-	-	-	-	-	-
Exercised	169	1.03	-	-	169	1.03
Cancelled	936	9.87	10	9.68	946	9.87
Options/warrants outstanding						
at end of period	1,967	$7.25	515	$9.42	2,482	$7.70
Options/warrants exercisable						
at end of period	1,967	$7.25	515	$9.42	2,482	$7.70
Weighted average fair value of						
grants for the year	-	-	-	-	-	-
Price range of options/warrants:						
Exercised	$ 0.81 - $ 1.26		-		$ 0.81 - $ 1.26	
Outstanding	$ 0.81 - $13.80		$ 0.81 - $13.80		$ 0.81 - $13.80	
Exercisable	$ 0.81 - $13.80		$ 0.81 - $13.80		$ 0.81 - $13.80	

Year Ended December 31, 2006:

	Employees		Non-Employees		Total	
	Shares (,000)	Weighted Average Exercise Price	Shares (,000)	Weighted Average Exercise Price	Shares (,000)	Weighted Average Exercise Price
Options/warrants outstanding at beginning of period	4,099	$6.28	525	$9.42	4,624	$6.64
Additions/deductions:						
Granted	-	-	-	-	-	-
Exercised	1,012	1.94	-	-	1,012	1.94
Cancelled	15	7.24	-	-	15	7.24
Options/warrants outstanding at end of period	3,072	$7.71	525	$9.42	3,597	$7.96
Options/warrants exercisable at end of period	3,072	$7.71	525	$9.42	3,597	$7.96
Weighted average fair value of grants for the year	-	-	-	-	-	-
Price range of options/warrants:						
Exercised	$1.75 - $ 9.50		-		$1.75 - $ 9.50	
Outstanding	$0.81 - $13.80		$0.81 - $13.80		$0.81 - $13.80	
Exercisable	$0.81 - $13.80		$0.81 - $13.80		$0.81 - $13.80	

The following table summarizes information about stock options outstanding and stock options exercisable, as granted to both employees and non-employees, at December 31, 2008:

	Employees			Non-Employees		
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
$ 0.81 - $5.49	903,750	2.1	$3.90	75,000	2.6	$3.23
$ 8.11 - $13.80	1,099,500	6.0	$10.65	190,000	6.2	$11.09
	2,003,250			265,000		

Options outstanding as of December 31, 2008 expire from April 6, 2009 through December 11, 2015, depending upon the date of grant.

The total intrinsic value of options exercised during the year ended December 31, 2008 was $207,154. The aggregate intrinsic value of options outstanding and exercisable at December 31, 2008 was approximately $932,184.

NOTE 12 – DEFINED CONTRIBUTION PLANS

During 1999, the Company implemented a 401(k) defined contribution plan for its employees. The Company's contribution to the plan is based on the amount of the employee plan contributions and compensation. The Company's contribution to the plan in 2008, 2007 and 2006 was approximately $405,000, $456,000, and $449,000, respectively. The plan was amended in October 2004 to accommodate the participation of employees of QMI.

NOTE 13 – INCOME TAXES

The provision (benefit) for income taxes, consists of the following:

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
Current:			
Federal	$ -	$ -	$ 45,270
State	-	-	43,329
	$ -	$ -	$ 88,599
Deferred:			
Federal	$ (2,459,264)	$ (111,384)	$ (1,426,015)
State	(905,606)	(50,926)	106,354
	$ (3,364,870)	$ (162,310)	$ (1,319,661)
Income Taxes from Continuing Operations before Valuation Allowance	(3,364,870)	(162,310)	(1,231,062)
Change in Valuation Allowance	3,364,870	162,310	1,319,661
Income Taxes from Continuing Operations	-	-	88,599
Income Taxes from Discontinued Operations before Valuation Allowance	1,227,674	89,468	94,012
Change in Valuation Allowance from Discontinued Operations	(1,227,674)	(89,468)	(94,012)
Total	$ -	$ -	$ 88,599

A reconciliation of the statutory federal income tax expense (benefit) to the effective tax is as follows:

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
Statutory rate - Federal	$ (2,179,333)	$ (761,890)	$ (359,299)
State taxes net of federal benefit	(597,700)	(33,611)	(98,792)
Permanent differences and other	(587,837)	633,192	(772,970)
Income tax from Continuing Operations before Valuation Allowance	(3,364,870)	(162,310)	(1,231,061)
Change in Valuation Allowance	3,364,870	162,310	1,319,661
Income Taxes from Continuing Operations	-	-	88,599
Income Taxes from Discontinued Operations before Valuation Allowance	1,227,674	89,468	94,012
Change in Valuation Allowance	(1,227,674)	(89,468)	(94,012)
Income Taxes from Discontinued Operations	-	-	-
Total	$ -	$ -	$ 88,599

The tax effects of the primary "temporary differences" between values recorded for assets and liabilities for financial reporting purposes and values utilized for measurement in accordance with tax laws giving rise to the Company's deferred tax assets are as follows:

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
Net operating loss carry-forward	$ 9,007,912	$ 5,731,224	$ 6,314,828
Consulting–royalty costs	1,430,524	1,739,375	1,457,076
Bad debt expense	55,476	109,532	107,498
Other	438,336	1,144,687	618,943
Valuation allowance	(10,932,248)	(8,724,818)	(8,498,345)
Total	$ -	$ -	$ -

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. In addition, certain tax benefits for option and warrant exercises totaling $6,805,323 are deferred and will be credited to additional-paid-in-capital when the NOL's attributable to these exercises are utilized. As a result, these NOL's will not be available to offset income tax expense. The net operating loss carry-forwards that currently approximate $21.8 million for federal purposes will be expiring through 2028. Additionally, there are net operating loss carry-forwards of $20.9 million for state purposes that will be expiring through 2028. Until sufficient taxable income to offset the temporary timing differences attributable to operations, the tax deductions attributable to option, warrant and stock activities and alternative minimum tax credits of $110,270 are assured, a valuation allowance equaling the total deferred tax asset is being provided.

NOTE 14 – 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):

	Year Ended December 31, 2008			Year Ended December 31, 2007			Year Ended December 31, 2006		
	Loss	Shares	EPS	Loss	Shares	EPS	Loss	Shares	EPS
Basic EPS	$(5.5)	12.9	$(0.43)	$(2.5)	12.7	$(0.19)	$(1.7)	12.3	$(0.14)
Dilutives: Options and Warrants	-	-		-	-		-	-	
Diluted EPS	$(5.5)	12.9	$(0.43)	$(2.5)	12.7	$(0.19)	$(1.7)	12.3	$(0.14)

Options and warrants outstanding at December 31, 2008, 2007 and 2006 were 2,268,250, 2,482,000, and 3,597,000 respectively. No options and warrants were included in the 2008, 2007 and 2006 computations of diluted earnings because the effect would be anti-dilutive due to losses in the respective years.

NOTE 15 – RELATED PARTY TRANSACTIONS

The Company may continue 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 zero, $45,750, $145,500 have been paid to a related entity during 2008, 2007 and 2006, respectively to assist with the regulatory aspects of obtaining such licenses.

NOTE 16 – SEGMENT INFORMATION

The basis for presenting segment results generally 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's operations are divided into three reportable segments as follows: The Quigley Corporation (Cold Remedy), whose main product is Cold-Eeze®, a proprietary zinc gluconate glycine lozenge for the common cold; QMI (Contract Manufacturing), which is the production facility for the Cold-Eeze® brand lozenge product and also performs contract manufacturing services for third party customers together with third party sales of its own products; and Pharma, (Ethical Pharmaceutical), currently involved in research and development activity to develop patent applications for potential pharmaceutical products. As discussed in Note 3 "Discontinued Operations", the Company disposed of its Health and Wellness segment on February 29, 2008.

Financial information relating to 2008, 2007 and 2006 continuing operations by business segment follows:

As of and for the year ended December 31, 2008	Cold Remedy	Contract Manufacturing	Ethical Pharmaceutical	Corporate & Other	Total
Revenues					
Customers-domestic	$18,185,510	$ 2,321,102	$ -	$ -	$20,506,612
Inter-segment	$ -	$ 4,381,085	$ -	$(4,381,085)	$ -
Segment operating profit (loss)	$ (689,829)	$ (1,293,592)	$ (4,873,169)	$ 126,726	$ (6,729,864)
Depreciation	$ 318,163	$ 425,507	$ -	$ -	$ 743,670
Capital expenditures	$ 62,682	$ 137,082	$ -	$ -	$ 199,764
Total assets	$26,459,739	$ 4,847,049	$ -	$(6,938,157)	$24,368,631

As of and for the year ended December 31, 2007	Cold Remedy	Contract Manufacturing	Ethical Pharmaceutical	Corporate & Other	Total
Revenues					
Customers-domestic	$25,730,016	$ 2,511,486	$ -	$ -	$28,241,502
Inter-segment	$ -	$ 6,660,694	$ -	$(6,660,694)	$ -
Segment operating profit (loss)	$ 4,801,260	$ (279,816)	$ (7,001,752)	$ (67,648)	$ (2,547,956)
Depreciation	$ 414,469	$ 523,383	$ -	$ -	$ 937,852
Capital expenditures	$ 187,137	$ 334,150	$ -	$ -	$ 521,287
Total assets	$32,838,899	$ 6,106,567	$ -	$(5,443,545)	$33,501,921

As of and for the year ended December 31, 2006	Cold Remedy	Contract Manufacturing	Ethical Pharmaceutical	Corporate & Other	Total
Revenues					
Customers-domestic	$24,815,851	$ 2,034,179	$ -	$ -	$26,850,030
Inter-segment	$ -	$ 6,596,371	$ -	$(6,596,371)	$ -
Segment operating profit (loss)	$ 3,588,285	$ (432,911)	$ (4,309,183)	$ (10,228)	$ (1,164,037)
Depreciation	$ 449,580	$ 696,212	$ -	$ -	$ 1,145,792
Capital expenditures	$ 562,144	$ 25,498	$ -	$ -	$ 587,642
Total assets	$38,125,367	$ 6,065,104	$ -	$(9,345,437)	$34,845,034

NOTE 17 – QUARTERLY INFORMATION (UNAUDITED)

	Quarter Ended			
2008	**March 31,**	**June 30,**	**September 30,**	**December 31,**
Net Sales	$ 5,305,034	$ 2,068,285	$ 6,354,451	$ 6,778,842
Gross Profit	$ 3,569,518	$ 897,906	$ 4,082,239	$ 2,863,356
Administration	$ 2,508,206	$ 2,029,885	$ 1,661,555	$ 1,743,482
Operating expenses	$ 6,150,749	$ 3,860,982	$ 3,268,197	$ 4,862,955
(Loss) Income from operations	$(2,581,231)	$(2,963,076)	$ 814,042	$ (1,999,599)
(Loss) Income from continuing operations	$(2,444,966)	$(2,878,696)	$ 879,102	$ (1,965,242)
Net (Loss) Income	$(1,569,450)	$(2,878,696)	$ 879,102	$ (1,965,242)
Basic EPS				
(Loss) Income from continuing operations	$ (0.19)	$ (0.22)	$ 0.07	$ (0.15)
Net (Loss) Income	$ (0.12)	$ (0.22)	$ 0.07	$ (0.15)
Diluted EPS				
(Loss) Income from continuing operations	$ (0.19)	$ (0.22)	$ 0.07	$ (0.15)
Net (Loss) Income	$ (0.12)	$ (0.22)	$ 0.07	$ (0.15)

	Quarter Ended			
2007	**March 31,**	**June 30,**	**September 30,**	**December 31,**
Net Sales	$ 6,149,951	$ 2,217,146	$ 9,131,610	$ 10,742,795
Gross Profit	$ 3,938,161	$ 995,331	$ 5,979,746	$ 7,642,903
Administration	$ 2,145,183	$ 2,436,408	$ 1,867,671	$ 3,177,403
Operating expenses	$ 5,787,398	$ 4,614,382	$ 4,750,979	$ 5,951,338
(Loss)Income from operations	$(1,849,237)	$(3,619,051)	$ 1,228,767	$ 1,691,565
(Loss) Income from continuing operations	$(1,640,785)	$(3,417,172)	$ 1,384,089	$ 1,817,596
Net (Loss) Income	$(1,928,206)	$(3,519,692)	$ 1,328,823	$ 1,660,738
Basic EPS				
(Loss) Income from continuing operations	$ (0.13)	$ (0.27)	$ 0.11	$ 0.13
(Loss) Net Income	$ (0.15)	$ (0.28)	$ 0.10	$ 0.12
Diluted EPS				
(Loss) Income from continuing operations	$ (0.13)	$ (0.27)	$ 0.11	$ 0.13
(Loss) Net Income	$ (0.15)	$ (0.28)	$ 0.10	$ 0.12

FOURTH QUARTER SEGMENT DATA (UNAUDITED)

As of and for the three months ended December 31, 2008	Cold Remedy	Contract Manufacturing	Ethical Pharmaceutical	Corporate & Other	Total
Revenues					
Customers-domestic	$ 6,272,586	$ 506,256	$ -	$ -	$ 6,778,842
Inter-segment	$ -	$ 962,473	$ -	$ (962,473)	$ -
Segment operating profit (loss)	$ (760,315)	$ (637,937)	$ (787,130)	$ 185,783	$ (1,999,599)
Depreciation	$ 76,485	$ 111,020	$ -	$ -	$ 187,505
Capital expenditures	$ 12,096	$ 38,356	$ -	$ -	$ 50,452

As of and for the three months ended December 31, 2007	Cold Remedy	Contract Manufacturing	Ethical Pharmaceutical	Corporate & Other	Total
Revenues					
Customers-domestic	$ 10,072,442	$ 670,353	$ -	$ -	$ 10,742,795
Inter-segment	$ -	$ 1,880,647	$ -	$ (1,880,647)	$ -
Segment operating profit (loss)	$ 3,275,343	$ (68,027)	$ (1,839,786)	$ 324,035	$ 1,691,565
Depreciation	$ 104,775	$ 135,093	$ -	$ -	$ 239,868
Capital expenditures	$ 18,833	$ 61,215	$ -	$ -	$ 80,048

As of and for the three months ended December 31, 2006	Cold Remedy	Contract Manufacturing	Ethical Pharmaceutical	Corporate & Other	Total
Revenues					
Customers-domestic	$ 10,697,062	$ 527,072	$ -	$ -	$ 11,224,134
Inter-segment	$ -	$ 1,798,932	$ -	$ (1,798,932)	$ -
Segment operating profit (loss)	$ 2,645,269	$ (11,639)	$ (1,420,522)	$ 326,644	$ 1,539,752
Depreciation	$ 97,637	$ 180,249	$ -	$ -	$ 277,886
Capital expenditures	$ 220,632	$ 7,604	$ -	$ -	$ 228,236

NOTE 18 – SUBSEQUENT EVENTS

On February 2, 2009, the Company announced its intention to close the Elizabethtown, Pennsylvania location of QMI and discontinue the hard candy business resulting in the consolidation of manufacturing operations at the Lebanon, Pennsylvania location. This consolidation will have no impact on the production or distribution of the Cold-EezeÒ brand of cold remedy products.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of The Quigley Corporation is responsible for the information and representations contained in this report. Management believes that the financial statements have been prepared in conformity with generally accepted accounting principles and that the other information in this annual report is consistent with those statements. In preparing the financial statements, management is required to include amounts based on estimates and judgments, which it believes are reasonable under the circumstances.

In fulfilling its responsibilities for the integrity of the data presented and to safeguard the Company's assets, management employs a system of internal accounting controls designed to provide reasonable assurance, at appropriate cost, that the Company's assets are protected and that transactions are appropriately authorized, recorded, and summarized. This system of control is supported by the selection of qualified personnel, by organizational assignments that provide appropriate delegation of authority and division of responsibilities, and by the dissemination of policies and procedures.

/s/ Guy J. Quigley	March 9, 2009
Guy J. Quigley, Chairman of the Board, (President, Chief Executive Officer)	Date
/s/ Gerard M. Gleeson	March 9, 2009
Gerard M. Gleeson, Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	Date

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Stockholders of The Quigley Corporation

We have audited the accompanying consolidated balance sheets of The Quigley Corporation as of December 31, 2008 and 2007, and the related statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2008. We also have audited The Quigley Corporation's internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The Quigley Corporation's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report. Our responsibility is to express an opinion on these financial statements and an opinion on the company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures, as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Quigley Corporation as of December 31, 2008 and 2007, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, The Quigley Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Amper Politziner & Mattia LLP

Edison, New Jersey
March 9, 2009

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A(T). CONTROLS AND PROCEDURES

Controls and Procedures

As of December 31, 2008, the Company carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934.

Our chief executive officer and chief financial officer concluded that as of the evaluation date, such disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's report on our internal controls over financial reporting can be found with the attached financial statements. The Independent Registered Public Accounting Firm's attestation report on our internal control over financial reporting can also be found with the attached financial statements.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets;
- provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our system of internal control over financial reporting was effective as of December 31, 2008. Our internal control over financial reporting has been audited by Amper, Politziner & Mattia, LLP, an independent registered public accounting firm, as stated in their report which is included herein.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required under this item is incorporated by reference to the Company's Proxy Statement for the 2009 Annual Meeting of Stockholders.

ITEM 11. EXECUTIVE COMPENSATION

The information required under this item is incorporated by reference to the Company's Proxy Statement for the 2009 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required under this item is incorporated by reference to the Company's Proxy Statement for the 2009 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required under this item is incorporated by reference to the Company's Proxy Statement for the 2009 Annual Meeting of Stockholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required under this item is incorporated by reference to the Company's Proxy Statement for the 2009 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits:

3.1	Articles of Incorporation of the Company, as amended, (incorporated by reference to Exhibit 3.1 of Form 10-KSB/A filed on April 4, 1997).
3.2**	A complete copy of the by-laws of the Company as most recently amended on December 16, 2008, and as currently in effect.
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 of Form 10-KSB/A filed on April 4, 1997).
10.1*	1997 Stock Option Plan (incorporated by reference to Exhibit 10.1 of the Company's Registration Statement on Form S-8 (File No. 333-61313) filed on August 13, 1998).
10.2	Exclusive Representation and Distribution Agreement dated May 4, 1992 between the Company and Godfrey Science and Design, Inc. et al (incorporated by reference to Exhibit 10.2 of Form 10-KSB/A filed on April 4, 1997).
10.3	Consulting Agreement dated May 4, 1992 between the Company and Godfrey Science and Design, Inc. et al. (incorporated by reference to Exhibit 10.5 of Form 10-KSB/A filed on April 4, 1997).
10.4	Rights Agreement dated September 15, 1998 between the Company and American Stock Transfer and Trust Company (incorporated by reference to Exhibit 1 to the Company's Registration Statement on Form 8-A filed on September 18, 1998).
10.5	Amendment to the Rights Agreement, dated as of May 20, 2008 between the Company and American Stock Transfer and Trust Company (incorporated by reference to Exhibit 99.1 of Form 8-K filed on May 23, 2008).
10.6	Sale agreement of Darius to Innerlight Holdings, Inc. dated February 29, 2008 incorporated by reference to Exhibit 99.1 of Form 8-K filed on March 3, 2008).
14.1	Code of Ethics (incorporated by reference to Exhibit II of the Proxy Statement on Schedule 14A filed on March 31, 2003).
21.1**	Subsidiaries of The Quigley Corporation.
23.1**	Consent of Amper, Politziner & Mattia, LLP, Independent Registered Public Accounting Firm, dated March 9, 2009.
31.1**	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Indicates a management contract or compensatory plan or arrangement
** Filed herewith

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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

/s/ Guy J. Quigley	March 9, 2009
Guy J. Quigley, Chairman of the Board, President, Chief Executive Officer and Director	Date

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Guy J. Quigley Guy J. Quigley	Chairman of the Board, President, Chief Executive Officer and Director	March 9, 2009
/s/ Charles A. Phillips Charles A. Phillips	Executive Vice President, Chief Operating Officer and Director	March 9, 2009
/s/ Gerard M. Gleeson Gerard M. Gleeson	Vice President, Chief Financial Officer and Director (Principal Financial and Accounting Officer)	March 9, 2009
/s/ Jacqueline F. Lewis Jacqueline F. Lewis	Director	March 9, 2009
/s/ Rounsevelle W. Schaum Rounsevelle W. Schaum	Director	March 9, 2009
/s/ Stephen W. Wouch Stephen W. Wouch	Director	March 9, 2009
/s/ Terrence O. Tormey Terrence O. Tormey	Director	March 9, 2009

BY-LAWS

(as most recently amended on December 16, 2008)

ARTICLE I - OFFICES

Section 1. The principal office of the corporation in the State of Nevada shall be at 821, Riverside Drive, Reno, Nevada and the resident agent in charge thereof is Oliver Merservy.

Section 2. The corporation may have such other offices within or without the State of Nevada as the Board of Directors may designate or as the business of the corporation may require from time to time.

ARTICLE II - STOCKHOLDERS

Section 1. ANNUAL MEETING: The annual meeting of the stockholders shall be held at a place to be designated by the Board on the 20th day of January at 2:00 P.M., beginning with the year 1990, or at such other time on such other day within such month as shall be fixed by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the stockholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the stockholders as soon thereafter as conveniently may be.

Section 2. SPECIAL MEETINGS: Special Meetings of the shareholders may be held at any time and for any purpose and may be called by the chief executive officer, the board of directors or by a shareholder or shareholders holding 25% or more of the voting power of all shares entitled to vote at the meeting. A shareholder or shareholders holding the requisite percentage of the voting power of all shares entitled to vote may demand a special meeting of the shareholders by written notice of demand given to the president of the corporation and containing the purposes of such meeting. Unless requested by shareholders entitled to cast a majority of all votes entitled to be cast at the meeting, a special meeting need not be called to consider any matter which is substantially the same as a matter voted on at any meeting of shareholders during the proceeding twelve months. The business transacted at a special meeting shall be limited to the purposes as stated in the notice of the meeting.

Section 3. PLACE OF MEETING: The Board of Directors may designate any place, either within or without the State of Nevada, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all stockholders entitled to vote at a meeting may designate any place, either within or without the State of Nevada, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation.

Section 4. NOTICE OF MEETING: Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or other persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Section 5. CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE: For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or stockholders entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other proper purpose, the board of directors of the corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, twenty days. In lieu of closing the stock transfer books, the board of directors may fix in advance a date as the record date for any such determination of stockholders, such date in any case to be not more than fifty days, and, in case of a meeting of stockholders, not less than ten days prior to the date on which the particular action, requiring such determination of stockholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or stockholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of stockholders. But payment or allotment of dividends may not be made more than sixty days after the date on which the resolution is adopted. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof regardless of its length except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

Section 6. BOOKS AND ACCOUNTS: This corporation shall keep and maintain at its principal office in this State:

(a) A certified copy of its certificate of incorporation or articles of incorporation, and all amendments thereto.

(b) A certified copy of its by-laws and all amendments.

(c) A stock ledger or a duplicate stock ledger, revised annually, containing the names, alphabetically arranged, of all persons who are stockholders of the corporation, showing their places of residence, if known, and the number of shares held by them respectively; or

(d) In lieu of the stock ledger or duplication stock ledger specified in paragraph (c), a statement setting out the name of the custodian of the stock ledger or duplicate stock ledger, and the present and complete post office address, including street and number, if any, where such stock ledger or duplicate stock ledger specified in this section is kept.

Any person who has been a stockholder of record of a corporation for a least 6 months immediately preceding his demand, or any person holding, or thereunto authorized in writing by the holders of, at least 5 percent of all its outstanding shares, upon at least 5 days' written demand, or any judgment creditor of the corporation without prior demand, shall have the right to inspect in person or by agent or attorney, during usual business hours, the stock ledger or duplicate stock ledger, whether kept in the principal office of the corporation in this state or elsewhere as provided in paragraph (d) and to make extracts therefrom. Holders of voting trust certificates representing shares of the corporation shall be regarded as stockholders for the purpose of this subsection.

Section 7. QUORUM: A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 8. PROXIES: At any meeting of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. A proxy shall not be valid after six months from the date of its execution, unless coupled with an interest, but no proxy shall be valid after seven years from the date of its execution, unless renewed or extended at any time before its expiration. Notwithstanding that a valid proxy is outstanding the powers of the proxy holder are suspended, except in the case of a proxy coupled with an interest which is designated as irrevocable, if the person executing the proxy is present at a meeting and elects to vote in person.

Section 9. VOTING OF SHARES: Subject to the provisions of Section 13. of this Articles II, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of stockholders.

Section 10. VOTING OF SHARES BY CERTAIN HOLDERS: Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the by-laws or a resolution of the board of directors of such corporation may prescribe, and a certified copy of the by-law or resolution is presented at the meeting.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of shares into his name. A stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Neither treasury shares of its own stock held by the corporation, nor shares held by another corporation if a majority of the shares entitled to vote for the election of directors of such other corporation are held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time for purposes of any meeting.

Section 11. VOTING TRUSTS: A stockholder, by agreement in writing, may transfer his stock to a voting trustee or trustees for the purpose of conferring the right to vote thereon for a period not exceeding 15 years upon the terms and conditions therein stated. The certificates of stock so transferred shall be surrendered and canceled and new certificates therefor issued to such trustee or trustees in which it shall appear that they are issued pursuant to such agreement, and in the entry of such ownership in the proper books of such corporation that fact shall also be noted, and thereupon such trustee or trustees may vote upon the stock so transferred during the terms of such agreement. A duplicate of every such agreement shall be filed in the principal office of the corporation and at all times during such terms be open to inspection by any stockholder or his attorney.

Section 12. INFORMAL ACTION BY STOCKHOLDERS: Any action, except election of directors, required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the stockholders entitled to vote with respect to the subject matter thereof.

Section 13. REMOVAL OF DIRECTORS: Any director may be removed from office by the vote or written consent of stockholders representing not less than two-thirds of the issued and outstanding capital stock entitled to voting power.

All vacancies, including those caused by an increase in the number of directors may be filled by a majority of the remaining directors though less than a quorum.

When one or more directors shall give notice of his or their resignation to the board, effective at a future date, the board shall have power to fill such vacancy or vacancies to take effect when such resignation or resignations shall become effective, each director so appointed to hold office during the remainder of the term of office of the resigning director or directors.

ARTICLE III - DIRECTORS

Section 1. The business of this corporation shall be managed by a board not less than 3 directors or trustees, all of whom shall be of full age and at least one of whom shall be a citizen of the United States, except that, in cases where all the shares of the corporation are owned beneficially and of record by either one or two stockholders, the number of directors may be less than three but not less than the number of stockholders. Unless otherwise provided in the certificate or articles of incorporation, or an amendment thereof, it shall not be necessary for directors to be stockholders.

Section 2. REGULAR MEETINGS: A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of stockholders. The Board of Directors may provide, by resolution, the time and place, either within or without this state, for the holding of additional regular meetings without other notice than such resolution.

Section 3. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the state, as the place for holding any special meeting of the Board of Directors called by them.

Section 4. NOTICE: Meetings of the board of directors may be called by the president by giving at least twenty-four hours notice, or by any other two directors by giving at least five days' notice, of the date, time and place thereof to each director at his last known address by mail, telephone, telegram, facsimile or in person. If the day or date, time and place of a meeting of the board of directors has been announced at a previous meeting of the board, no notice is required. Notice of an adjourned meeting of the board of directors need not be given other than by announcement at the meeting at which adjournment is taken.

Notice of any meeting of the board of directors may be waived by any director either before, at or after such meeting orally or in a writing signed by such director. A director, by his or her attendance at any meeting of the board of directors, shall be deemed to have waived notice of such meeting, except where the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 5. QUORUM: A majority of the number of directors fixed by Section 1. of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 6. MANNER OF ACTING: The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. INFORMAL OR IRREGULAR ACTION BY DIRECTORS OR COMMITTEES: (a) Action taken by the required majority of the directors or members of a committee without a meeting is nevertheless board or committee action if:

Written consent to the action in question is signed by all the directors or members of the committee, as the case may be, and filed with the minutes of the proceedings of the board or committee, whether done before or after the action so taken.

(b) Any one or more directors or members of a committee may participate in a meeting of the board or committee by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed presence in person at such meeting.

Section 8. EXECUTIVE AND OTHER COMMITTEES: (a) The Board of Directors, by resolution adopted by a majority of the number of directors then in office may designate from among its members an executive committee and one or more other committees, each consisting of two or more directors, and each of which, to the extent provided in the resolution or in the charter or these ByLaws shall have and may exercise all of the authority of the Board of Directors except the power to:

(i) Declare dividends or distributions on stock;

(ii) Issue stock other than as provided in subsection (b) of this section.

(iii) Recommend to the stockholders any action which requires stockholder approval.

(iv) Amend the By-Laws; or

(v) Approve any merger or share exchange which does not require stockholder approval.

(b) If the Board of Directors has given general authorization for the issuance of stock, a committee of the Board, in accordance with a general formula or method specified by the board by resolution or by adoption of a stock option or other plan, may fix the terms of stock subject to classification or reclassification and the terms on which any stock may be issued, including all terms and conditions required or permitted to be established or authorized by the Board of Directors under the Nevada General Corporation Law.

(c) The appointment of any committee, the delegation of authority to it or action by it under that authority does not constitute of itself, compliance by any director not a member of the committee, with the standard provided by statute for the performance of duties of directors.

Section 9. COMPENSATION: By resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 10. PRESUMPTION OF ASSENT: A director of the corporation who is present at a meeting of the board of Directors at which action on any corporate matter is taken unless he shall announce his dissent at the meeting and his dissent is entered in the minutes and he shall forward such dissent by registered mail to the secretary of the corporation immediately after the Adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV - OFFICERS

Section 1. NUMBER: The corporation shall have a president, a secretary, a treasurer, and a resident agent, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person.

Section 2. ELECTION AND TERM OF OFFICE: The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. REMOVAL: Any officer or agent may be removed by the Board of Directors whenever in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of any officer or agent shall not of itself create contract rights.

Section 4. VACANCIES: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. PRESIDENT: The president shall be the principal executive officer of the corporation, and subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. The president shall have authority to institute or defend legal proceedings when the directors are deadlocked. He shall, when present, preside at all meetings of the stockholders and of the Board of Directors. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. THE SECRETARY: The secretary shall: (a) keep the minutes of the proceedings of the stockholder and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) sign with the president, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 7. THE TREASURER: The treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these By-Laws; and (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors. If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum with such surety or sureties as the Board of Directors shall determine.

Section 8. SALARIES: The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE V - INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

Section 1. INDEMNIFICATION. The corporation shall indemnify and hold harmless, to the fullest extent authorized by the corporation statutes of the State of Nevada, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (an "indemnitee"), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by an indemnitee in connection with such action, suit or proceeding if such indemnitee acted in good faith and in a manner such indemnitee reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful; provided, however, that, except as provided in Section 3 of this Article V with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the indemnitee did not act in good faith and in a manner which such indemnitee reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful. The right to indemnification conferred by this Section 1 shall vest at the time an individual becomes an indemnitee.

Section 2. RIGHT TO ADVANCEMENT OF EXPENSES. The right to indemnification conferred in Section 1 of this Article V shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the corporation statutes of the State of Nevada requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 1 and 2 of this Article V shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the indemnitee's heirs, executors, and administrators.

Section 3. RIGHT OF INDEMNITEE TO BRING SUIT. If a claim under Section 1 or 2 of this Article V is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the corporation statutes of the State of Nevada. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the corporation statutes of the State of Nevada, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to indemnification, or to such advancement of expenses, under this Article V or otherwise shall be on the corporation.

Section 4. NON-EXCLUSIVITY OF RIGHTS. The rights to indemnification and to the advancement of expenses conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the corporation's Articles of Incorporation, ByLaws, agreement, vote of stockholders, or disinterested directors or otherwise.

Section 5. INSURANCE. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee, or agent of the corporation or another corporation, partnership, joint venture, trust, or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the corporation statutes of the State of Nevada.

Section 6. INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE CORPORATION. The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

Section 7. AMENDMENT OR MODIFICATION. This section may be altered or amended at any time as provided in these ByLaws, but no such amendment shall have the effect of diminishing the rights of any person who is or was an officer or director as to any acts or omissions taken or omitted to be taken prior to the effective date of such amendment.

ARTICLE VI - CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. CONTRACTS: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. CHECKS, DRAFTS, ETC.: All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS: All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII - CERTIFICATES FOR SHARES AND THEIR TRANSFER

Section 1. CERTIFICATES FOR SHARES: Notwithstanding any other provision in these By-Laws, any or all classes and series of shares of the corporation, or any part thereof, may be represented by uncertificated shares, except that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof, a written notice containing the information required to be set forth or stated on certificates. The rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class or series shall be identical. If certificates for the shares of the corporation are issued, each will be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the president or vice president and countersigned by the secretary or an assistant secretary and sealed with the corporation seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimile signatures if the certificate is manually signed on behalf of a transfer agent or a registrar other than the corporation or an employee of the corporation. Each certificate for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be cancelled and no new certificates shall be issued until the former certificates for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate, a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Section 2. TRANSFER OF SHARES: Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the secretary of the corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

ARTICLE VIII - FISCAL YEAR

Section 1. The fiscal year of the corporation shall be determined by the board of directors.

ARTICLE IX - DIVIDENDS

Section 1. The board of Directors may, from time to time, declare and the corporation may pay dividends on its outstanding shares in the manner, and upon the terms and conditions provided by law and its Articles of Incorporation.

ARTICLE X - CORPORATE SEAL

Section 1. The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation, the year of its incorporation and the words, “Corporate Seal, Nevada”.

ARTICLE XI - WAIVER OF NOTICE

Section 1. Whenever any notice is required to be given to any stockholder or director of the corporation under the provisions of these By-Laws or under the provisions of the By-Laws or under the provisions of the Articles of Incorporation or under the provisions of the general corporation law of the State of Nevada, a waiver thereof in writing signed by any person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII - AMENDMENTS

Section 1. The board of Directors shall have the power to make, alter and repeal By-Laws, but By-Laws made by the board may be altered or repealed, and new By-Laws made, by the stockholders.

SUBSIDIARIES OF THE QUIGLEY CORPORATION

Subsidiaries	State or other Jurisdiction of Incorporation
Quigley Pharma Inc.	Delaware
Quigley Manufacturing Inc.	Delaware

The above subsidiaries are included in the consolidated financial statements for the year ended December 31, 2008.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of The Quigley Corporation:

We consent to incorporation by reference in the registration statements on Form S-8 (No. 333-73456, No. 333-61313, No. 333-10059, No. 333-14687, 333-26589 and 333-132770) and Form S-3 (No. 333-31241, 333-86976, 333-104148 and 333-119748) of The Quigley Corporation and subsidiaries ("the Company") of our report dated March 9, 2009 with respect to the consolidated financial statements for each of the years in the three-year period ended December 31, 2008, and the effectiveness of internal controls over financial reporting as of December 31, 2008, which report appears in the December 31, 2008 Annual Report on Form 10-K.

/s/ Amper, Politziner & Mattia, LLP

Edison, New Jersey
March 9, 2009

Exhibit 31.1

CERTIFICATIONS

I, Guy J. Quigley, certify that:

1. I have reviewed this annual report on Form 10-K 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 flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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 we 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (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 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: March 9, 2009

By: /s/ Guy J. Quigley

Guy J. Quigley
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Gerard M. Gleeson, certify that:

1. I have reviewed this annual report on Form 10-K 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 flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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 we 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (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 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: March 9, 2009

By: /s/ Gerard M. Gleeson

Gerard M. Gleeson
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. §1350)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §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 Annual Report on Form 10-K for the year ended December 31, 2008 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
March 9, 2009

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

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

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

The Annual Report on Form 10-K for the year ended December 31, 2008 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/ Gerard M. Gleeson
Gerard M. Gleeson
Chief Financial Officer
March 9, 2009