SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1999

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 #0-4829-03

NABI (R)

(Exact name of registrant as specified in its charter)

DELAWARE	59-1212264
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

5800 Park of Commerce Boulevard N.W., Boca Raton, FL	33487
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code): (561) 989-5800

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, and (2) has been subject to such filing requirements for the past 90 days.

YES (X) NO ( )

The number of shares outstanding of registrant's common stock at November 9, 1999 was 34,960,243 shares.

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
NABI(R)

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NABI(R)
PART I Financial Information
Item 1 Financial Statements

CONSOLIDATED BALANCE SHEETS

IN THOUSANDS EXCEPT PER SHARE DATA	(UNAUDITED) SEPTEMBER 30, 1999	DECEMBER 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 593	$ 1,016
Trade accounts receivable, net	28,059	40,029
Inventories, net	35,280	38,203
Prepaid expenses and other assets	6,082	6,227
Total current assets	70,014	85,475
PROPERTY AND EQUIPMENT, NET	105,791	99,018
OTHER ASSETS:		
Excess of acquisition cost over net assets acquired, net	13,418	16,165
Intangible assets, net	6,227	7,032
Other, net	7,689	10,610
TOTAL ASSETS	$ 203,139	$ 218,300
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$ 17,555	$ 14,964
Accrued expenses	22,833	28,466
Notes payable	5,145	81
TOTAL CURRENT LIABILITIES	45,533	43,511
NOTES PAYABLE	100,178	117,963
OTHER	1,361	2,637
TOTAL LIABILITIES	147,072	164,111
STOCKHOLDERS' EQUITY:		
Convertible preferred stock, par value $.10 per share: 5,000 shares authorized; no shares outstanding	--	--
Common stock, par value $.10 per share: 75,000 shares authorized; 34,959 and 34,903 shares issued and outstanding, respectively	3,496	3,490
Capital in excess of par value	138,031	137,911
Accumulated deficit	(84,746)	(86,734)
Accumulated other comprehensive loss	(714)	(478)
TOTAL STOCKHOLDERS' EQUITY	56,067	54,189
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 203,139	$ 218,300

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NABI(R)

CONSOLIDATED STATEMENTS OF OPERATIONS

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA	(UNAUDITED) THREE MONTHS ENDED SEPTEMBER 30, 1999	1998	(UNAUDITED) NINE MONTHS ENDED SEPTEMBER 30, 1999	1998
SALES	$ 54,181	$ 58,713	$ 174,402	$ 178,505
COSTS AND EXPENSES:				
Costs of products sold	37,589	42,520	125,487	130,651
Selling, general and administrative expense	8,859	7,449	23,855	23,622
Research and development expense	4,229	5,301	11,290	15,689
Royalty expense	2,786	2,694	8,877	8,557
Other operating expense, principally freight and amortization	446	499	1,424	1,658
Non-recurring credit	(1,935)	--	(1,935)	--
OPERATING INCOME (LOSS)	2,207	250	5,404	(1,672)
INTEREST INCOME	7	24	67	36
INTEREST EXPENSE	(1,012)	(1,419)	(3,303)	(4,596)
OTHER, NET	(11)	(7)	(65)	40
INCOME (LOSS) BEFORE BENEFIT (PROVISION) FOR INCOME TAXES	1,191	(1,152)	2,103	(6,192)
BENEFIT (PROVISION) FOR INCOME TAXES	259	(2,605)	(115)	--
NET INCOME (LOSS)	$ 1,450	$ (3,757)	$ 1,988	$ (6,192)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	$ 0.04	$ (0.11)	$ 0.06	$ (0.18)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NABI(R)

CONSOLIDATED STATEMENTS OF CASH FLOWS

DOLLARS IN THOUSANDS	(UNAUDITED) Nine Months Ended September 30, 1999	1998
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 1,988	$ (6,192)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	7,695	8,548
Non-recurring credit	(1,935)	--
Provision for doubtful accounts	(98)	(13)
Other	108	228
Change in assets and liabilities:		
Decrease in trade accounts receivable	12,068	3,950
Decrease in inventories	2,923	4,214
Decrease in prepaid expenses and other assets	769	8,254
(Increase) decrease in other assets	(223)	258
Increase (decrease) in accounts payable and accrued liabilities	1,493	(5,658)
Total adjustments	22,800	19,781
NET CASH PROVIDED BY OPERATING ACTIVITIES	24,788	13,589
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of antibody centers	2,518	--
Capital expenditures	(15,090)	(14,786)
NET CASH USED BY INVESTING ACTIVITIES	(12,572)	(14,786)
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayments under line of credit, net	(12,785)	(5,261)
Borrowings under term loan	--	5,000
Other debt	64	(1,394)
Proceeds from the exercise of options	82	135
NET CASH USED BY FINANCING ACTIVITIES	(12,639)	(1,520)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(423)	(2,717)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,016	3,397
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 593	$ 680

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NABI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 GENERAL

Nabi(R) (the "Company") is a fully-integrated biopharmaceutical company that develops and commercializes pharmaceutical products used for the prevention and treatment of infectious and autoimmune diseases and supplies specialty and non-specific antibody products to pharmaceutical companies worldwide.

The consolidated financial statements include the accounts of Nabi and its subsidiaries. All significant intercompany accounts and transactions were eliminated during the consolidation. These statements should be read in conjunction with the consolidated financial statements and notes thereto included in Nabi's Annual Report to Stockholders for the year ended December 31, 1998.

In the opinion of management, the unaudited consolidated financial statements include all adjustments necessary to present fairly Nabi's consolidated financial position at September 30, 1999 and the consolidated results of its operations for the three and nine month periods ended September 30, 1999 and 1998. The interim results of operations are not necessarily indicative of the results that may occur for the fiscal year.

NOTE 2 INVENTORIES

The components of inventories, stated at the lower of cost (FIFO) or market, are as follows:

DOLLARS IN THOUSANDS	SEPTEMBER 30, 1999	DECEMBER 31, 1998
Finished goods	$33,890	$36,975
Work in process	1,328	1,964
Raw materials	2,861	3,772
	38,079	42,711
Less: reserves	(2,799)	(4,508)
TOTAL	$35,280	$38,203

NOTE 3 NON-RECURRING CHARGES

During the fourth quarter of 1998, Nabi recorded a non-recurring charge that included $13.2 million related to its strategic plan to sharpen the Company's focus on improving profitability. The plan commenced during late 1998 and will be substantially completed during 1999.

A summary of the Company's restructuring activity for the first nine months of 1999 is presented below:

DOLLARS IN THOUSANDS	
Balance at December 31, 1998	$13,214
Activity during 1999:	
Non-cash write-downs of fixed and intangible assets	(4,269)
Non-recurring credit	(1,935)
Termination benefit payments	(817)
Non-cancelable lease obligation payments and other cash outflows	(292)
BALANCE AT SEPTEMBER 30, 1999	$5,901

Included in the original $13.2 million restructuring charge were estimated cash expenses for severance and future lease costs related to the shut-down of the Company's German operations which was planned for and determined likely to occur at that time. Rather than shutting down the operations, Nabi has been able to reach an agreement during the third quarter of 1999 to transfer those operations to a third party. As a result, Nabi reversed $1.9 million of the accrued severance and lease charges since the Company should avoid these obligations.

NOTE 4 EARNINGS PER SHARE

The following is a reconciliation between basic and diluted earnings per share for the three and nine months ended September 30, 1999 and 1998:

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED SEPTEMBER 30,			NINE MONTHS ENDED SEPTEMBER 30,		
	Basic EPS	Effect of Dilutive Securites: Stock Options	Diluted EPS	Basic EPS	Effect of Dilutive Securites: Stock Options	Diluted EPS
1999						
Net income	$ 1,450	--	$ 1,450	$ 1,988	--	$ 1,988
Shares	34,943	1,688	36,631	34,925	725	35,650
Per share	$ 0.04	--	$ 0.04	$ 0.06	--	$ 0.06
1998						
Net loss	$ (3,757)	--	$ (3,757)	$ (6,192)	--	$ (6,192)
Shares	34,897	--	34,897	34,879	--	34,879
Per share	$ (0.11)	--	$ (0.11)	$ (0.18)	--	$ (0.18)

NOTE 5 COMPREHENSIVE INCOME

The components of comprehensive income for the three and nine months ended September 30, 1999 and 1998 are as follows:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
DOLLARS IN THOUSANDS	1999	1998	1999	1998
Net income (loss)	$1,450	$(3,757)	$1,988	$(6,192)
Foreign currency translation gain (loss)	61	186	(236)	177
COMPREHENSIVE INCOME (LOSS)	$1,511	$(3,571)	$1,752	$(6,015)

NOTE 6 INDUSTRY SEGMENT INFORMATION

The following table presents information related to Nabi's two operating business segments for the three and nine months ended September 30, 1999 and 1998:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
DOLLARS IN THOUSANDS	1999	1998	1999	1998
Sales				
Pharmaceutical products	$18,222	$13,778	$ 47,974	$ 41,990
Antibody products	35,959	44,935	126,428	136,515
TOTAL	$54,181	$58,713	$174,402	$178,505
Operating income (loss)				
Pharmaceutical products	$ 1,782	$ 182	$ 2,761	$ (424)
Antibody products	425	68	2,643	(1,248)
TOTAL	$ 2,207	$ 250	$ 5,404	$ (1,672)

The following summary reconciles reportable segment operating profit (loss) to income (loss) before benefit (provision) for income taxes:

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
DOLLARS IN THOUSANDS	1999	1998	1999	1998
INCOME (LOSS) BEFORE BENEFIT (PROVISION) FOR INCOME TAXES:				
Reportable segment operating income (loss)	$ 2,207	$ 250	$ 5,404	$(1,672)
Unallocated interest expense	(1,012)	(1,419)	(3,303)	(4,596)
Unallocated other income and expense, net	(4)	17	2	76
Consolidated income (loss) before benefit (provision) for income taxes	$ 1,191	$(1,152)	$ 2,103	$(6,192)

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NOTE 7   RECLASSIFICATIONS
- -------------------------------------

Certain items in the consolidated financial statements for the 1998 period have been reclassified for comparative purposes.

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the major factors contributing to Nabi's financial condition and results of operations for the three and nine month periods ended September 30, 1999 and 1998. The discussion and analysis should be read in conjunction with the condensed consolidated financial statements and notes thereto. All dollar amounts are expressed in thousands, except per share amounts.

RESULTS OF OPERATIONS

The following table sets forth Nabi's results of operations expressed as a percentage of sales:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Sales	100.0 %	100.0 %	100.0 %	100.0 %
Costs of products sold	69.4 %	72.4 %	72.0 %	73.2 %
Gross profit margin	30.6 %	27.6 %	28.0 %	26.8 %
Selling, general and administrative expense	16.4 %	12.7 %	13.7 %	13.2 %
Research and development expense	7.8 %	9.0 %	6.5 %	8.8 %
Royalty expense	5.1 %	4.6 %	5.1 %	4.8 %
Other operating expense, principally freight and amortization	0.8 %	0.8 %	0.8 %	0.9 %
Non-recurring charges	(3.6)%	-- %	(1.1)%	-- %
Operating income (loss)	4.1 %	0.4 %	3.1 %	(0.9)%
Interest income	-- %	-- %	-- %	-- %
Interest expense	(1.9)%	(2.3)%	(1.9)%	(2.5)%
Other, net	-- %	-- %	-- %	-- %
Income (loss) before benefit (provision) for income taxes	2.2 %	(2.0)%	1.2 %	(3.5)%
Benefit (provision) for income taxes	0.5 %	(4.4)%	(0.1)%	-- %
Net income (loss)	2.7 %	(6.4)%	1.1 %	(3.5)%

Information concerning Nabi's sales by operating segments for the respective periods, is set forth in the following table:

	THREE MONTHS ENDED SEPTEMBER 30,			
SEGMENT	1999		1998	
Pharmaceutical products	$18,222	33.6%	$13,778	23.5%
Antibody products:				
- Non-specific antibodies	24,850	45.9	30,579	52.1
- Specialty antibodies	11,109	20.5	14,356	24.4
	35,959	66.4	44,935	76.5
TOTAL	$54,181	100.0%	$58,713	100.0%

SEGMENT	NINE MONTHS ENDED SEPTEMBER 30, 1999		1998	
Pharmaceutical products	$47,974	27.5%	$41,990	23.5%
Antibody products:				
- Non-specific antibodies	86,812	49.8	97,273	54.5
- Specialty antibodies	39,616	22.7	39,242	22.0
	126,428	72.5	136,515	76.5
TOTAL	$174,402	100.0%	$178,505	100.0%

THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

SALES. Sales for the third quarter of 1999 decreased by $4.5 million to $54.2 million, compared to $58.7 million for the third quarter of 1998, reflecting lower revenues for antibody products. Pharmaceutical sales increased 32% from the third quarter of 1998 reflecting increased sales of WinRho SDF(TM) and Nabi-HB(TM), and sales OF ALOPRIM(TM), a new pharmaceutical product that Nabi in-licensed and launched in June 1999. Higher sales of WinRho SDF(TM) in the third quarter of 1999 resulted primarily from increased demand from distributors. In 1999, Nabi-HB(TM) sales results reflect the successful launch of this product, which received expedited approval by the FDA in March, 1999. In 1998, Nabi exhausted the remaining inventory of its predecessor product, H-BIG(R) during the third quarter.

Total antibody sales decreased by 20% from the third quarter of 1998 due to a 19% decline in non-specific antibody sales. Sales of non-specific antibody sales decreased due to lower production reflecting the impact of the sale of six antibody collection centers in April 1999, and lower overall antibody collections on a same store basis. The Company believes low unemployment and the increasing impact of regulations on donor eligibility have contributed to these lower production levels. The impact of lower production was partially offset by increased prices as a result of a new multi-year contract with a major customer. The 23% decrease in specialty antibodies sales from the comparable 1998 period included the effect of customer import licensing issues that delayed shipments of some specialty antibodies until the fourth quarter.

GROSS PROFIT MARGIN. Gross profit and related margin for the third quarter of 1999 was $16.6 million, or 30.6% of sales, compared to $16.2 million, or 27.6% of sales, in the third quarter of 1998. The increase in gross profit and related margin reflects the Company's success in shifting the sales mix toward higher-margin pharmaceutical products.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative expense was $8.9 million, or 16.4% of sales, for the third quarter of 1999 compared to $7.4 million, or 12.7% of sales, in the third quarter of 1998. This increase resulted from higher sales and marketing expenses associated with increasing pharmaceutical product sales, as well as the cost related to Year 2000 preparedness efforts. The higher sales and marketing expenses included costs related to the launch of ALOPRIM(TM) and continuing promotion of Nabi-HB(TM). These increases were partially offset by a reduction in other general and administrative expenses for the 1999 quarter.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $4.2 million, or 7.8% of sales, for the third quarter of 1999 compared to $5.3 million, or 9.0% of sales, in the third quarter of 1998. Nabi incurred significant expenditures during the prior year period related to expenditures incurred in conjunction with the submission of the Product License Application ("PLA") for Nabi-HB(TM), a product approved by the FDA in March 1999. In 1999, Nabi has reduced pre-clinical product development activities and has focused its ongoing research and development efforts to support currently marketed products and those products in later stages of development, including Nabi-StaphVAX(TM). At the same time, the Company is actively seeking corporate and government partners to fund the significant cost of further development for the products in its extensive research and development pipeline.

Nabi has continued to report promising data from its research and development efforts in the third quarter of 1999, specifically the encouraging interim results from a pivotal phase III trial of Nabi-StaphVAX(TM), for which the Company anticipates final results to be available in the third quarter of 2000. In addition, Nabi was recently issued two patents (US Pat. No. 5,866,140 & 5,961,975) containing claims covering both a Staphylococcus epidermidis vaccine and a hyperimmune globulin made using the vaccine, thereby strengthening the Company's proprietary position around the staphylococcal vaccines and immunoglobulin products it has currently in development. It is Nabi's strategy to integrate these antigens into pharmaceutical products aimed at preventing and treating life threatening bacterial infections.

ROYALTY EXPENSE. Royalty expense is directly related to pharmaceutical sales. The Company incurred $2.8 million of royalty expense, or 15.3% of pharmaceutical sales, in the third quarter of 1999, compared to $2.7 million, or 19.6% of sales, in the third quarter of 1998. Royalty expense decreased as a percentage of pharmaceutical revenue reflecting the year to date effect of a recent agreement limiting the amount of royalties to be paid on sales of Nabi-HB(TM). The benefits of the restated royalty agreement will continue into the fourth quarter.

NON-RECURRING CREDIT. During the third quarter of 1999, Nabi reversed a portion of a non-recurring charge originally recorded in the fourth quarter of 1998 for the planned shut-down of its German operations, which was planned for and determined likely to occur at that time. Rather than shutting down the operations, Nabi has been able to reach an agreement during the third quarter of 1999 to transfer those operations to a third party. As a result , Nabi should avoid estimated cash expenses for severance and future lease costs amounting to $1.9 million.

INTEREST EXPENSE. Interest expense for the third quarter of 1999 was $1.0 million, or 1.9% of sales, compared to $1.4 million, or 2.3% of sales, in the third quarter of 1998. The decrease is attributable to higher amounts of interest capitalized and lower average outstanding bank borrowings during the third quarter of 1999 as compared to the third quarter of 1998. Capitalized interest relating primarily to construction of Nabi's biopharmaceutical manufacturing facility in Boca Raton, Florida was approximately $1.2 million in the 1999 third quarter as compared to $0.9 million during the 1998 period.

OTHER FACTORS. Benefit for income taxes was $0.3 million, recorded at an effective rate of 21.7%, in the third quarter of 1999 compared to a $2.6 million provision in the third quarter of 1998. The 21.7% effective tax benefit rate for the third quarter of 1999 differs from the statutory rate of 35% primarily due to reversal of the prior 1999 six months' tax provision. This reversal is due to Nabi's expectation of realizing the current year's benefit from a portion of its net operating loss carryforwards from prior years.

NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

SALES. Sales for the nine months ended September 30, 1999 decreased by $4.1 million to $174.4 million compared to $178.5 million for the nine months of 1998. Pharmaceutical sales increased by approximately $6.0 million primarily due to increased sales of Autoplex(R)T and WinRho SDF(TM), and sales of ALOPRIM(TM), a new pharmaceutical product that Nabi in-licensed and launched in June 1999. Comparative increased sales of Autoplex(R)T during the first nine months of 1999 reflect the impact of increased supply of the product as compared to the first nine months of 1998. Higher sales of WinRho SDF(TM) for the nine months of 1999 resulted primarily from increased distributor demand.

Total antibody sales decreased by 7% from the nine months of 1998. Non-specific antibody sales decreased 11% due to lower production reflecting the impact of the sale of six centers in April 1999, and overall lower antibody collections on a same store basis. The Company believes low unemployment and the increasing impact of regulations on donor eligibility have contributed to these lower production levels.

GROSS PROFIT MARGIN. Gross profit and related margin for the nine months ended September 30, 1999 was $48.9 million, or 28.0% of sales, compared to $47.9 million, or 26.8% of sales, in the nine months of 1998. The increase in gross profit and related margin resulted from an improved sales mix of higher-margin pharmaceutical products.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative expense was $23.9 million, or 13.7% of sales, for the nine months ended September 30, 1999 compared to $23.6 million, or 13.2% of sales, in the nine months of 1998. This increase reflects increased sales and marketing expenses in 1999 associated with increased pharmaceutical product sales and the launches of Nabi-HB(TM) and ALOPRIM(TM), as well as increased system costs related to Year 2000 readiness. The increase was offset by the impact of higher general and administrative expenses in 1998 due to costs associated with reorganizational measures initiated in the first half of 1998.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $11.3 million, or 6.5% of sales, for the nine months of 1999, compared to $15.7 million, or 8.8% of sales, in the prior year period. In 1998, Nabi incurred significant expenditures related to the advancement of clinical trials and the submission of the PLA for Nabi-HB(TM), a product approved by the FDA in March 1999. In 1999, Nabi has reduced pre-clinical product development activities and has focused its ongoing research and development efforts to support currently marketed products and those in later stages of development, including Nabi-StaphVAX(TM). At the same time, the Company is actively seeking corporate and government partners to fund the significant cost of further development for the products in its extensive research and development pipeline.

ROYALTY EXPENSE. Royalty expense is directly related to pharmaceutical sales. The Company incurred $8.9 million of royalty expense, or 18.5% of pharmaceutical sales, in the first nine months of 1999, compared to $8.6 million, or 20.4% of sales, in the first nine months of 1998. Royalty expense decreased as a percentage of pharmaceutical revenue due to a recent agreement limiting the amount of royalties to be paid on sales of Nabi-HB(TM). The benefits of the restated royalty agreement will continue for the remainder of 1999.

NON-RECURRING CREDIT. During the third quarter of 1999, Nabi reversed a portion of a non-recurring charge originally recorded in the fourth quarter of 1998 for the planned shut-down of its German operations, which was planned for and determined likely to occur at that time. Rather than shutting down the operations, Nabi has been able to reach an agreement to transfer those operations to a third party. As a result, Nabi should avoid estimated cash expenses for severance and future lease costs amounting to $1.9 million.

INTEREST EXPENSE. Interest expense for the nine months ended September 30, 1999 was $3.3 million, or 1.9% of sales, compared to $4.6 million, or 2.5% of sales, in the nine months of 1998. The decrease is attributable to higher amounts of interest capitalized and lower average outstanding bank borrowings during the nine months of 1999. Capitalized interest relating primarily to construction of Nabi's biopharmaceutical manufacturing facility in Boca Raton, Florida was approximately $3.5 million during the first nine months of 1999 as compared to $2.5 million during the 1998 period.

OTHER FACTORS. Benefit for income taxes was $0.1 million or an effective rate of 5.5%, in the nine months ended September 30, 1999. The 5.5% effective tax rate for 1999 differs from the statutory rate of 35% due to Nabi's expectation of realizing the current year's benefit from a portion of its net operating loss carryforwards from prior years.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 1999, Nabi's credit agreement provided for a revolving credit facility of up to $45 million subject to certain borrowing base restrictions, which matures in September 2002, and a $5 million term loan due in March 2000. Borrowings under the agreement totaled $24.7 million at September 30, 1999 as compared to $37.5 million at December 31, 1998, and additional availability was approximately $5.6 million at September 30, 1999. The credit agreement is secured by substantially all of Nabi's assets, requires the maintenance of certain financial covenants and prohibits the payment of dividends.

As of September 30, 1999, Nabi's current assets exceeded current liabilities by $24.5 million as compared to a net working capital position of $42 million at December 31, 1998. Cash and cash equivalents at September 30, 1999 were $0.6 million compared to $1 million at December 31, 1998. The primary source of cash during 1999 was operations, including cash earnings and reductions of trade receivables and inventories. Net cash provided by operating activities was $24.8 million representing an improvement of $11.2 million from the comparable 1998 nine month period. The primary uses of cash during the nine months ended September 30, 1999 were capital expenditures, principally associated with the Company's manufacturing facility in Boca Raton, Florida, and a $12.8 million reduction of borrowings under the revolving credit agreement.

Projected capital expenditures for the remainder of 1999 include costs associated with the Boca Raton manufacturing facility, including capitalized interest, development of information systems and related expenditures, and antibody collection center renovations. Nabi believes that cash flow from operations and its available bank credit facilities will be sufficient to meet its anticipated cash requirements for the remainder of 1999. The Company is also in the process of seeking additional cash to fund the development of its pharmaceutical product pipeline from strategic alliances and additional funding from new or existing credit facilities.

YEAR 2000

During 1998, a cross-functional team was established to address Year 2000 readiness for key financial and operational computer systems, equipment (including lab equipment), information and business systems and external supplier and customer relationships. The Company established a program to address Year 2000 issues which focused on Nabi's business critical processes and had four overlapping phases: Phase I, the identification and assessment of systems, equipment and business relationships; Phase II, the testing of Year 2000 readiness for internal systems and equipment and the inquiry/audit of Year 2000 readiness for external suppliers and customers; Phase III, the remediation or replacement of equipment or business relationships that will not be Year 2000 compliant/ready, including re-testing as required; and Phase IV, contingency planning to mitigate the potential effect of problems which may be so deeply embedded in the identified business critical processes that they are beyond the Company's reasonable ability to identify and control.

Nabi has completed Year 2000 readiness efforts for its business critical processes with two exceptions: 1) Desktop Computers - although the pilot program began in August 1999, the installation of new desktop computers did not begin until the end of August due to shipment delays. Nabi expects to complete the installation of such systems at the Company's Boca Raton, Miami and Rockville locations by mid-November 1999. 2) Donor Management System (DMS) - FDA review was required before system implementation could begin. On July 2, 1999, a 510K Notification of Intent was submitted to the FDA by the software developer. On September 10, 1999, the FDA issued a finding of "substantial equivalence to a legally marketed predicate device" which allowed for system implementation. Nabi expects to complete the installation of this system by early December 1999 in the 13 U.S. antibody collection centers that will require DMS implementation as a Year 2000 business solution.

The project cost to achieve Year 2000 readiness is currently estimated at $2 to $3 million dollars, including expense and capital expenditures, not all of which are incremental to the Company's operations. These expenditures will primarily be incurred during 1998 and 1999, however, some cost may be expended in 2000. These costs will be funded by a combination of operating cash flows, bank credit facilities, and operating and capital lease agreements. Approximately 25% of Nabi's 1999 information technology planned expenditures will be directly attributable to Year 2000 remediation efforts. Year 2000 related expenditures were approximately $650,000 in the third quarter of 1999, and approximately $1,520,000 for the nine months ended September 30, 1999.

The Company utilized both internal and external resources in the above Year 2000 efforts. Nabi will continue to communicate with business critical suppliers and customers and monitor new developments through the end of the year, and beyond, if necessary. However, given the nature of the Year 2000 problem, there can be no assurance that the Company's efforts will be successful. If they are not, the Company's operations or financial condition may be materially and adversely affected.

FACTORS TO BE CONSIDERED

The parts of this Quarterly Report on Form 10-Q captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Legal Proceedings" contain certain forward-looking statements, which involve risks and uncertainties. Readers should refer to a discussion under "Factors to be Considered" contained in Nabi's Annual Report on Form 10-K for the year ended December 31, 1998 concerning certain factors that could cause Nabi's actual results to differ materially from the results anticipated in such forward-looking statements. Said discussion is hereby incorporated by reference into this Quarterly Report.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Nabi is a party to litigation in the ordinary course of business. In addition, Nabi is a co-defendant with various other parties in two suits filed in the U.S. by, or on behalf of, individuals who claim to have been infected with HIV as a result of either using HIV-contaminated products made by the defendants other than Nabi or having familial relations with those so infected. Nabi does not believe that any such litigation will have a material adverse effect on its business, financial position or results of operations.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibit

10.24	Employment Agreement dated August 1, 1999 between David D. Muth and Nabi	17
27	Financial Data Schedule (for S.E.C. use only)	22

b. Reports on Form 8-K:

On September 15, 1999, the Company filed a current report on Form 8-K, reporting under Item 4 thereof, a change in Registrant's Certifying Accountant.

SIGNATURES

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

NABI(R)

Date: November 11, 1999

By: /s/ Thomas H. McLain
THOMAS H. McLAIN
Senior Vice President, Corporate Services and Chief Financial Officer

EXHIBIT 10.24

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EMPLOYMENT AGREEMENT
DATED AUGUST 1, 1999
BETWEEN
DAVID D. MUTH AND NABI

NABI(R)

- ---

5800 PARK OF COMMERCE BOULEVARD, N.W.
BOCA RATON, FL 33487

EFFECTIVE AS OF AUGUST 1, 1999

Mr. David D. Muth
1535 SW 6th Terrace
Boca Raton, Florida, 33486

Dear David:

You have agreed to serve as a Senior Vice President Business Operations for Nabi. The following are the terms of such employment:

1. TERM: You will serve as a Senior Vice President Business Operations, of Nabi, a period beginning as of the date hereof and ending on July 31, 2002, unless your employment is sooner terminated as provided below (the "Employment Period").

2. SALARY: Your salary will be $220,000.00 per year, payable bi-weekly during the Employment Period. Your salary will be subject to discretionary annual increases as determined by Nabi's Board of Directors.

3. BONUS: You will be entitled to participate in Nabi's VIP Management Incentive Program.

Unless the Employment Period is terminated for "cause" pursuant to Section 7(B)(b) below, bonus compensation shall be pro rated in respect of any calendar year during which the Employment Period terminates based on the amount of bonus compensation which would have been payable with respect to such year per your original VIP Management Incentive Program participation, divided by 12, times the number of full calendar months during the relevant year you were employed prior to the termination of the Employment Period. If the Employment Period is terminated pursuant to Section 7(B)(b) below, no bonus compensation is payable with respect to the calendar year during which it is terminated.

Bonus payments shall be payable within 120 days after the end of the relevant calendar year.

4. AUTO ALLOWANCE: You, while an employee under the terms of this Agreement, shall receive an auto allowance of not less than $900.00 per month.

5. BENEFITS: You will be eligible to participate in Nabi's 401(k), medical/dental insurance, life insurance, executive long term disability program, Supplemental Executive Retirement Plan (SERP), and other benefit programs upon the effective date of this Agreement. You will accrue Paid Leave Bank (PLB) time at the rate of 15.33 hours per month.

6. DUTIES AND EXTENT OF SERVICES:

(A) During the Employment Period, you agree to devote substantially all of your working time, and such energy, knowledge, and efforts as is necessary to the discharge and performance of your duties provided for in this Agreement and such other reasonable duties and responsibilities consistent with your position as are assigned to you from time to time by the person to whom you report. You shall be located primarily in Nabi's Boca Raton, Florida, facilities, but shall travel to other locations from time to time as shall be reasonably required in the course of performance of your duties.

(B) During the Employment Period, you shall serve as a Nabi Senior Vice President Business Operations. You shall have such duties as are delegated to you by the person to whom you report provided that such duties shall be reasonably consistent with those duties assigned to executive officers having similar titles in organizations comparable to NABI.

7. TERMINATION:

(A) The Employment Period shall terminate upon your death. You may also terminate the Employment Period upon thirty (30) days' prior written notice to Nabi. Any termination pursuant to this Section 7(A) shall not affect any bonus compensation applicable to the year of such termination, provided that any bonus compensation payable pursuant to Section 3 of this Agreement shall be pro rated as provided for in Section 3.

(B) Nabi may terminate the Employment Period in the event of (a) your disability that prevents you from performing your obligations pursuant to this Agreement for any three (3) consecutive months or (b) for "cause", which is defined as (i) commission of fraud or embezzlement or other felonious acts by you, (ii) your refusal to comply with reasonable directions in connection with the performance of your duties as provided for in Section 6 of this Agreement after notice of such failure is delivered to you, (iii) failure to comply with the provisions of Section 8 or 9 of this Agreement or (iv) your gross negligence in connection with the performance of your duties as provided for in this Agreement, which gross negligence causes material damage to NABI, provided that, in the event of termination under this clause (B), you shall receive ten (10) days' notice of such failure prior to termination and a determination must be made by Nabi's Board of Directors or a duly appointed committee of the Board, after you are afforded an opportunity to be heard, that it is, at the date of such termination, reasonable to conclude that grounds for such termination under this clause (B) still exists.

(C) Nabi may otherwise terminate the Employment Period upon thirty (30) days' prior notice to you. In the event of such termination based on the effective date of such termination, Nabi will pay you severance pay of twelve (12) months of your annual base salary as in effect at the time of such termination ("Severance Pay") and maintain in effect for a twelve (12) month period all then existing benefits, (subject to the limitations of the applicable plans), including but not limited to, the auto allowance, life insurance, short and long term disability programs, health care coverages, and SERP benefits. Severance Pay provided for in this paragraph shall be made in the form of salary continuation and would be paid on Nabi's regular bi-weekly pay date through the period covered. If you terminate your employment with Nabi within thirty (30) days of the expiration of the Employment Period, you shall be entitled to receive Severance Pay under Section 7C unless during the thirty (30) day period prior to the expiration of the Employment Period, Nabi offered to renew this Agreement on terms no less favorable to you than the terms then in effect.

(D) If your employment terminates pursuant to Section 7B(a) or Section 7C, all non-vested stock options, restricted stock or similar incentive equity instruments pursuant to the Company's 1990 Equity Incentive Plan and/or successor plans, (the "Options"), shall immediately vest. All such "Options" shall be exercisable for one (1) year past termination date, except that no "Options" shall be exercisable beyond the original "Option" expiration date. To the extent the terms of any "Options" are inconsistent with this Agreement, the terms of this Agreement shall control.

(E) Your confidentiality and non-competition agreements set forth in Sections 8 and 9 below shall survive the termination of your employment regardless of the reasons therefor.

8. CONFIDENTIALITY: You acknowledge that your duties as described in Section 6 of this Agreement will give you access to trade secrets and other confidential information of Nabi and/or its affiliates, including but not limited to information concerning production and marketing of their respective products, customer lists, and other information relating to their present or future operations (all of the foregoing, whether or not it qualifies as a "trade secret" under applicable law, is collectively called "Confidential

Information"). You recognize that Confidential Information is proprietary to each such entity and gives each of them significant competitive advantage.

Accordingly, you shall not use or disclose any of the Confidential Information during or after the Employment Period, except for the sole and exclusive benefit of the relevant company. Upon any termination of the Employment Period, you will return to the relevant company's office all documents, computer tapes, and other tangible embodiments of any Confidential Information. You agree that Nabi would be irreparably injured by any breach of your confidentiality agreement, that such injury would not be adequately compensable by monetary damages, and that, accordingly, the offended company may specifically enforce the provisions of this Section by injunction or similar remedy by any court of competent jurisdiction without affecting any claim for damages.

9. NON-COMPETITION:

(A) You acknowledge that your services to be rendered are of a special and unusual character and have a unique value to Nabi the loss of which cannot adequately be compensated by damages in an action at law. In view of the unique value of the services, and because of the Confidential Information to be obtained by or disclosed to you, and as a material inducement to Nabi to enter into this Agreement and to pay to you the compensation referred to above and other consideration provided, you covenant and agree that you will not, during the term of your employment by Nabi and for a period of one (1) year after termination of such employment for any reason whatsoever, you will not, directly or indirectly, (a) engage or become interested, as owner, employee, consultant, partner, through stock ownership (except ownership of less than five percent of any class of securities which are publicly traded), investment of capital, lending of money or property, rendering of services, or otherwise, either alone or in association with others, in the operations, management or supervision of any type of business or enterprise engaged in any business which is competitive with any business of Nabi (a "Competitive Business"), (b) solicit or accept orders from any current or past customer of Nabi for products or services offered or sold by, or competitive with products or services offered or sold by, Nabi, (c) induce or attempt to induce any such customer to reduce such customer's purchase of products or services from Nabi, (d) disclose or use for the benefit of any Competitive Business the name and/or requirements of any such customer or (e) solicit any of Nabi's employees to leave the employ of Nabi or hire or negotiate for the employment of any employee of Nabi.

(B) You have carefully read and considered the provisions of this Section and Section 8 and having done so, agree that the restrictions set forth (including but not limited to the time period of restriction and the world wide areas of restriction) are fair and reasonable (even if termination is at our request and without cause) and are reasonably required for the protection of the interest of Nabi, its officers, directors, and other employees. You acknowledge that upon termination of this Agreement for any reason, it may be necessary for you to relocate to another area, and you agree that this restriction is fair and reasonable and is reasonably required for the protection of the interests of Nabi, their officers, directors, and other employees.

(C) In the event that, notwithstanding the foregoing, any of the provisions of this Section or Section 8 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though invalid or unenforceable parts had not been included therein. In the event that any provision of this Section relating to time period and/or areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, said time period and/or areas of restriction shall be deemed to become, and thereafter be, the maximum time period and/or area which such court deems reasonable and enforceable.

(D) With respect to the provisions of this Section, you agree that damages, by themselves, are an inadequate remedy at law, that a material breach of the provisions of this Section would cause irreparable injury to the aggrieved party, and that provisions of this Section 9 may be specifically enforced by injunction or similar remedy in any court of competent jurisdiction without affecting any claim for damages.

10. MISCELLANEOUS: This Agreement and the rights and obligations of the parties pursuant to it and any other instruments or documents issued pursuant to it shall be construed, interpreted and enforced in accordance with the laws of the State of Florida, exclusive of its choice-of-law principles. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns. The provisions of this Agreement shall be severable and the illegality, unenforceability or invalidity of any provision of this Agreement shall not affect or impair the remaining provisions hereof, and each provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law. In any suit, action or proceeding arising out of or in connection with this Agreement, the prevailing party shall be entitled to receive an award of the reasonable related amount of attorneys' fees and disbursements incurred by such party, including fees and disbursements on appeal. This Agreement is a complete expression of all agreements of the parties relating to the subject matter hereof, and all prior or contemporaneous oral or written understandings or agreements shall be null and void except to the extent set forth in this Agreement.

This Agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the party to be charged therewith. All notices required and allowed hereunder shall be in writing, and shall be deemed given upon deposit in the Certified Mail, Return Receipt Requested, first-class postage and registration fees prepaid, and correctly addressed to the party for whom intended at its address set forth under its name below, or to such other address as has been most recently specified by a party by one or more counterparts, each of which shall constitute one and the same agreement. All references to genders or number in this Agreement shall be deemed interchangeably to have a masculine, feminine, neuter, singular or plural meaning, as the sense of the context required.

If the foregoing confirms your understanding of our agreements, please so indicate by signing in the space provided below and returning a signed copy to us.

Nabi(R)
5800 Park of Commerce Boulevard, N.W.
Boca Raton, Florida 33487

By: /s/ David J. Gury

David J. Gury
Chief Executive Officer

Accepted and agreed:

/s/ David D. Muth
- ---------------------------------
David D. Muth
1535 SW 6th Terrace
Boca Raton, Florida 33486

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT SEPTEMBER 30, 1999 (UNAUDITED) AND THE CONSOLIDATED STATEMENT OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999 (UNAUDITED) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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9-MOS
DEC-31-1999
JAN-01-1999
SEP-30-1999
593
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28,059
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0
0
1,988
0.06
0.06

RECEIVABLES, INVENTORY AND PP&E REPRESENT NET AMOUNTS.
LOSS PROVISION INCLUDED IN OTHER EXPENSES.