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 JUNE 30, 1997

OR

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

FOR THE TRANSITION PERIOD FROM _____________ TO_____________ .

COMMISSION FILE #0-4829-03

NABI

(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 August 11, 1997 was 34,759,599 shares.

QUARTERLY REPORT UNDER SECTION 13 OR 15 (D)

NABI

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NABI
PART I Financial Information
Item 1 Financial Statements

CONSOLIDATED BALANCE SHEET

(IN THOUSANDS)	(UNAUDITED) JUNE 30, 1997	DECEMBER 31, 1996
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$5,358	$18,513
Short-term investments	-	8,797
Trade accounts receivable, net	37,798	38,127
Inventories, net	42,075	28,395
Prepaid expenses and other assets	4,119	4,269
TOTAL CURRENT ASSETS	89,350	98,101
PROPERTY AND EQUIPMENT, NET	77,923	60,587
OTHER ASSETS:		
Excess of acquisition cost over net assets acquired, net	17,572	18,072
Intangible assets, net	8,954	9,684
Other, net	18,556	15,698
TOTAL ASSETS	$212,355	$202,142
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$6,903	$9,800
Accrued expenses	14,905	22,484
Notes payable	6,019	2,187
TOTAL CURRENT LIABILITIES	27,827	34,471
NOTES PAYABLE	94,763	81,278
OTHER	354	332
TOTAL LIABILITIES	122,944	116,081
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, 34,762 and 34,614 shares issued and outstanding, respectively	3,476	3,461
Capital in excess of par value	136,396	136,424
Accumulated deficit	(50,461)	(53,824)
TOTAL STOCKHOLDERS' EQUITY	89,411	86,061
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$212,355	$202,142

The accompanying Notes are an integral part of these Financial Statements.

NABI

CONSOLIDATED STATEMENT OF OPERATIONS

(IN THOUSANDS, EXCEPT PER SHARE DATA)	(UNAUDITED) THREE MONTHS ENDED JUNE 30, 1997	1996	(UNAUDITED) SIX MONTHS ENDED JUNE 30, 1997	1996
SALES	$57,915	$57,682	$114,292	$116,234
COSTS AND EXPENSES:				
Cost of products sold	42,946	43,625	86,131	88,464
Research and development expense	4,045	3,931	7,843	8,321
Selling, general and administrative expense	5,838	5,745	10,238	10,876
Royalty expense	1,188	1,084	2,397	2,332
Other operating expense, principally freight and amortization	686	946	1,620	1,849
OPERATING INCOME	3,212	2,351	6,063	4,392
INTEREST AND OTHER INCOME	27	460	214	786
INTEREST AND OTHER EXPENSE	(1,008)	(1,101)	(1,995)	(1,992)
INCOME BEFORE PROVISION FOR INCOME TAXES AND EXTRAORDINARY CHARGE	2,231	1,710	4,282	3,186
PROVISION FOR INCOME TAXES	(218)	(68)	(919)	(127)
INCOME BEFORE EXTRAORDINARY CHARGE	2,013	1,642	3,363	3,059
EXTRAORDINARY CHARGE	--	--	--	(932)
NET INCOME	$2,013	$1,642	$3,363	$2,127
EARNINGS PER SHARE:				
Income before extraordinary charge	$0.06	$0.05	$0.10	$0.09
Extraordinary charge	--	--	--	(0.03)
Net income	$0.06	$0.05	$0.10	$0.06
WEIGHTED AVERAGE NUMBER OF SHARES AND COMMON SHARE EQUIVALENTS	35,141	35,781	35,377	35,746

The accompanying Notes are an integral part of these Financial Statements.

NABI

CONSOLIDATED STATEMENT OF CASH FLOWS

(IN THOUSANDS)	(UNAUDITED) SIX MONTHS ENDED JUNE 30, 1997	1996
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$3,363	$2,127
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,491	3,868
Provision for doubtful accounts	35	120
Extraordinary charge	--	932
Other	8	56
Change in assets and liabilities:		
Decrease (increase) in trade accounts receivable	295	(20,381)
Decrease (increase) in inventories	(13,679)	(1,095)
Decrease (increase) in prepaid expenses and other assets	149	(995)
Decrease (increase) in other assets	(3,408)	(175)
Increase (decrease) in accounts payable and accrued liabilities	(10,846)	1,160
Total adjustments	(22,955)	(16,510)
NET CASH USED BY OPERATING ACTIVITIES	(19,592)	(14,383)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of short-term investments	--	(18,190)
Proceeds from maturity of short-term investments	8,850	1,724
Capital expenditures	(20,092)	(9,412)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(11,242)	(25,878)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of convertible subordinated debentures	--	77,884
Repayments of flexible term notes	--	(18,000)
Repayments of term debt	--	(10,000)
Borrowing (repayments) under line of credit, net	13,700	(6,760)
Other debt	3,600	(2,190)
Proceeds from the exercise of options and warrants	379	1,618
NET CASH PROVIDED BY FINANCING ACTIVITIES	17,679	42,552
NET INCREASE IN CASH AND CASH EQUIVALENTS	(13,155)	2,291
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	18,513	3,991
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$5,358	$6,282

The accompanying Notes are an integral part of these Financial Statements.

NABI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 -- GENERAL

NABI is a vertically integrated biopharmaceutical company that supplies human blood plasma and develops and commercializes therapeutic products for the prevention and treatment of infectious diseases and immunological disorders.

The consolidated financial statements include the accounts of NABI and its subsidiaries. All significant intercompany accounts and transactions are eliminated in 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, 1996.

In the opinion of management, the unaudited consolidated financial statements include all adjustments necessary to present fairly NABI's consolidated financial position at June 30, 1997 and the consolidated results of its operations for the three and six months ended June 30, 1997 and 1996. The interim results of operations are not necessarily indicative of the results which 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:

	JUNE 30,	DECEMBER 31,
(In Thousands)	1997	1996
Finished goods	$38,347	$23,610
Work in process	1,258	1,836
Raw materials	8,845	8,504
	48,450	33,950
Less: reserves	(6,375)	(5,555)
	$42,075	$28,395

NOTE 3 -- PROPERTY AND EQUIPMENT

Property and equipment and related allowances for depreciation and amortization are summarized below:

(In Thousands)	JUNE 30, 1997	DECEMBER 31, 1996
Land and buildings	$ 8,682	$ 7,155
Furniture and fixtures	4,844	4,907
Machinery and equipment	23,529	21,531
Leasehold improvements	15,548	15,106
Construction in progress	48,160	32,298
Total property and equipment	100,763	80,997
Less: accumulated depreciation and amortization	(22,840)	(20,410)
	$77,923	$60,587

Construction in progress consists primarily of costs incurred in connection with construction of NABI's biopharmaceutical facility and includes capitalized interest of $3,829 and $2,757 at June 30, 1997 and December 31, 1996, respectively.

NOTE 4 -- RECLASSIFICATIONS

Certain items in the consolidated financial statements for the 1996 period have been reclassified for comparative purposes.

NOTE 5 -- RECENT DEVELOPMENTS

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) Statement No. 128, "Earnings Per Share", which is effective for years ending after December 15, 1997. NABI plans to adopt SFAS 128 in the fourth quarter of 1997 and implementation of the Statement is not expected to have an adverse effect upon the Company's results of operations.

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 six month periods ended June 30, 1997 and 1996. 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 JUNE 30,		SIX MONTHS ENDED, JUNE 30,	
	1997	1996	1997	1996
Sales	100.0%	100.0%	100.0%	100.0%
Cost of products sold	74.2	75.6	75.4	76.1
Gross profit margin	25.8	24.4	24.6	23.9
Research and development expense	7.0	6.8	6.9	7.2
Selling, general and administrative expense	10.1	10.0	9.0	9.4
Royalty expense	2.1	1.9	2.1	2.0
Other operating expense	1.1	1.6	1.4	1.6
Operating income	5.5	4.1	5.2	3.7
Interest and other income	0.0	0.8	0.2	0.7
Interest and other expense	(1.6)	(1.9)	(1.7)	(1.7)
Income before provision for income taxes and extraordinary charge	3.9	3.0	3.7	2.7
Provision for income taxes	(0.4)	(0.2)	(0.8)	(0.1)
Income before extraordinary charge	3.5	2.8	2.9	2.6
Extraordinary charge	--	--	--	(0.8)
Net income	3.5%	2.8%	2.9%	1.8%

Information concerning NABI's sales by industry segment, for the respective periods, is set forth in the following table.

	THREE MONTHS ENDED JUNE 30,			
Segment	1997		1996	
Plasma -Source	$34,922	60.3%	$28,200	49.0%
-Specialty	14,326	24.7	22,351	38.7
	49,248	85.0	50,551	87.7
Immunotherapeutic products	7,583	13.1	5,605	9.7
Diagnostic products and services	1,084	1.9	1,526	2.6
Total	$57,915	100.0%	$57,682	100.0%

Segment	SIX MONTHS ENDED JUNE 30, 1997		1996	
Plasma -Source	$ 68,818	60.2%	$ 58,827	50.6%
-Specialty	30,582	26.8	44,012	37.9
	99,400	87.0	102,839	88.5
Immunotherapeutic products	12,491	10.9	10,402	8.9
Diagnostic products and services	2,401	2.1	2,993	2.6
Total	$114,292	100.0%	$116,234	100.0%

THREE MONTHS ENDED JUNE 30, 1997 AND 1996

SALES. Sales for the second quarter of 1997 were $57.9 million compared to $57.7 million for the second quarter of 1996. Overall, revenues for the quarter were adversely affected by a short-term shift in demand from specialty plasma, particularly tetanus, to source plasma. A temporary reduction in plasma processing by one of the industry's major processors also negatively affected revenues. The decline in plasma revenue was offset by a substantial increase in immunotherapeutic revenues over the comparable quarter in 1996. The quarterly results include sales of Autoplex(R)T, an immunotherapeutic product which was acquired from Baxter Healthcare Corporation in May 1997.

GROSS PROFIT MARGIN. Gross profit and related margin for the second quarter of 1997 was $15.0 million, or 25.8% of sales, compared to $14.1 million, or 24.4% of sales, in the second quarter of 1996. An improved sales mix of immunotherapeutic products relative to total sales accounted for the improved gross margin.

INTEREST AND OTHER EXPENSE, NET. Interest and other expense, net for the second quarter of 1997 was $1.0 million, or 1.6% of sales, compared to $0.6 million, or 1.1% of sales, in the second quarter of 1996. The increase was primarily attributable to lower average outstanding investments and related interest income when compared to 1996.

OTHER FACTORS. Provision for income taxes was $0.2 million or an effective rate of 9.8%, in the second quarter of 1997 compared to $68,000, or an effective rate of 4%, in the second quarter of 1996. The effective rate for the quarter reflects a cumulative adjustment reducing the Company's expected effective tax rate for 1997, principally due to foreign trade income and a reduction in tax reserves established in prior periods. The effective tax rate for the first quarter of 1996 differs from the statutory rate primarily due to the utilization of previously reserved net operating loss carryfowards.

SIX MONTHS ENDED JUNE 30, 1997 AND 1996

SALES. Sales for the first half of 1997 were $114.3 million compared to $116.2 million for the first half of 1996. Overall, revenues for 1997 were adversely affected by a short-term shift in demand from specialty plasma, particularly tetanus, to source plasma. A temporary reduction in plasma processing by one of the industry's major processors also negatively affected revenues. The decline in plasma revenue was offset by increased immunotherapeutic revenues over the comparable six months in 1996. The first half results include sales of Autoplex(R)T, an immunotherapeutic product which was acquired from Baxter Healthcare Corporation in May 1997.

GROSS PROFIT MARGIN. Gross profit and related margin for the first half of 1997 was $28.2 million, or 24.6% of sales, compared to $27.8 million, or 23.9% of sales, in the first half of 1996. An improved sales mix of immunotherapeutic products relative to total sales accounted for the improved gross margin.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $7.8 million, or 6.9% of sales, for the first half of 1997 compared to $8.3 million, or 7.2% of sales, in the first half of 1996. The decline in expense related primarily to the discontinuation of clinical trials for HyperGam+CF in June 1996.

INTEREST AND OTHER EXPENSE, NET. Interest and other expense, net for the first half of 1997 was $1.8 million, or 1.5% of sales, compared to $1.2 million, or 1% of sales, in the first six months of 1996. The increase was primarily attributable to lower average outstanding investments and related interest income when compared to 1996.

OTHER FACTORS. Provision for income taxes was $0.9 million or an effective rate of 21.5%, in the first half of 1997 compared to $127,000, or an effective rate of 4%, in the first half of 1996. The effective rate for the six months ended June 30, 1997 reflects a cumulative adjustment reducing the Company's expected effective tax rate for 1997, principally due to foreign trade income and a reduction in tax reserves established in prior periods. The effective tax rate for the first half of 1996 differs from the statutory rate, primarily due to the utilization of previously reserved net operating loss carryforwards.

The first six months of 1996 reflect an extraordinary charge of $0.9 million, or $.03 per share, due to the recognition of debt issue costs associated with NABI's early extinguishment of its bank debt through the application of a portion of the net proceeds of the 6.5% Convertible Subordinated Notes issued during the first half of 1996.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 1997, NABI's credit agreement with its principal lender provided for a $20 million revolving credit facility maturing on December 31, 1998. NABI had $13.7 million of indebtedness outstanding as of June 30, 1997 under this facility which is secured by substantially all assets. The credit agreement contains covenants requiring the maintenance of various financial ratios and prohibits the payment of dividends. NABI is currently negotiating with the lender to restructure the existing credit agreement to provide for a revolving credit facility of $50 million with an initial term of five years and yearly renewals, thereafter. It is anticipated that the new credit facility will be effective in the third quarter of 1997.

As of June 30, 1997, NABI's current assets exceeded current liabilities by $61.5 million as compared to a net working capital position of $63.6 million at December 31, 1996.

Projected capital expenditures for the remainder of 1997 include validation costs for manufacturing facilities, development and implementation of information systems and plasma center renovations. NABI believes that cash on hand, cash flow from operations and available bank financing will be sufficient to meet its anticipated cash requirements for the remainder of 1997.

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, 1996 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. There have been no material developments in any of the legal proceedings reported in NABI's Annual Report on Form 10-K for the year ended December 31, 1996. NABI does not believe that any such litigation will have a material adverse effect on its business, financial position or results of operations.

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

The following matters were approved at NABI'S annual stockholders' meeting, which was held on May 30, 1997:

a) Election of the following Board of Directors:

	VOTES	
	FOR	WITHHELD
Paul Bogikes	29,279,904	1,172,204
John C. Carlisle	29,295,640	1,156,468
David L. Castaldi	29,565,174	886,934
Joseph C. Cook, Jr.	29,563,116	888,992
Brian H. Dovey	29,564,675	887,433
George W. Ebright	29,295,265	1,156,843
David J. Gury	29,293,031	1,159,077
Richard A. Harvey, Jr.	29,562,974	889,134
David A. Thompson	29,565,174	886,934

b) Approval of an amendment to the 1990 Equity Incentive Plan to increase the number of shares of Common Stock which may be awarded by 2,500,000 shares:

	VOTES	
FOR	AGAINST	ABSTAINED
15,797,461	4,083,942	223,067

c) Approval for an amendment to the 1990 Equity Incentive Plan to limit the number of shares of Common Stock available for issuance to any participant in any calendar year to 250,000 shares:

	VOTES	
FOR	AGAINST	ABSTAINED
29,099,010	815,187	283,993

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

11 Calculation of Earnings Per Share..................14
27 Financial Data Schedule (for S.E.C. use only)

b. Reports on Form 8-K:

None

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

DATE: August 14, 1997 By: /s/ Alfred J. Fernandez

ALFRED J. FERNANDEZ
Senior Vice President and Chief Financial Officer

NABI

CALCULATION OF EARNINGS PER SHARE

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
(IN THOUSANDS, EXCEPT PER SHARE DATA)	1997	1996	1997	1996
Net income	$2,013	$1,642	$3,363	$2,127
Weighted average number of common shares outstanding during the period	34,747	34,387	34,712	34,210
Add dilutive effect of common stock equivalents:				
Stock options and warrants (as determined by the application of the treasury stock method)	394	1,394	665	1,536
Weighted average number of shares and common share equivalents used in primary earnings per share computations	35,141	35,781	35,377	35,746
Earnings per share	$0.06	$0.05	$0.10	$0.06

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

DATE: August 13, 1997

By: /s/ ALFRED J. FERNANDEZ

ALFRED J. FERNANDEZ
Senior Vice President and
Chief Financial Officer

Exhibit 11

NABI

Calculation of Earnings Per Share

(In Thousands, Except Per Share Data)	Three Months Ended June 30, 1997	Three Months Ended June 30, 1996	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Net income	$ 2,013	$ 1,642	$ 3,363	$ 2,127
Weighted average number of common shares outstanding during the period	34,747	34,387	34,712	34,210
Add dilutive effect of common stock equivalents:				
Stock options and warrants (as determined by the application of the treasury stock method)	394	1,394	665	1,536
Weighted average number of shares and common share equivalents used in primary earnings per share computations	35,141	35,781	35,377	35,746
Earnings per share	$ 0.06	$ 0.05	$ 0.10	$ 0.06

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JUNE 30, 1997 (UNAUDITED) AND THE CONSOLIDATED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 1997 (UNAUDITED) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS
DEC-31-1997
JAN-01-1997
JUN-30-1997
5,358
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42,075
89,350
77,923
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27,827
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212,355
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114,292
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86,131
22,098
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1,995
4,282
919
3,363
0
0
0
3,363
0.10
0

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