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, 1998

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 10, 1998 was 34,897,420 shares.

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)

Nabi

[GRAPHIC OMITTED]

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NABI
PART I Financial Information
Item 1 Financial Statements

CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS)	(UNAUDITED) JUNE 30, 1998	DECEMBER 31, 1997
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,802	$ 3,397
Trade accounts receivable, net	33,590	36,060
Inventories, net	36,552	43,387
Prepaid expenses and other assets	13,556	16,128
Total current assets	85,500	98,972
Property and equipment, net	94,123	89,187
Other assets:		
Excess of acquisition cost over net assets acquired, net	16,625	17,123
Intangible assets, net	7,565	8,104
Other, net	12,020	12,520
TOTAL ASSETS	$ 215,833	$ 225,906
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$ 9,966	$ 15,989
Accrued expenses	18,226	17,396
Notes payable	5,825	1,654
TOTAL CURRENT LIABILITIES	34,017	35,039
NOTES PAYABLE	108,100	114,828
OTHER	384	376
TOTAL LIABILITIES	142,501	150,243
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; 34,889 and 34,801 shares issued and outstanding, respectively	3,489	3,480
Capital in excess of par value	137,884	137,780
Accumulated deficit	(67,412)	(64,977)
Accumulated other comprehensive income (loss)	(629)	(620)
TOTAL STOCKHOLDERS' EQUITY	73,332	75,663
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 215,833	$ 225,906

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

Nabi

CONSOLIDATED STATEMENTS OF OPERATIONS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)	(UNAUDITED) THREE MONTHS ENDED JUNE 30, 1998	1997	(UNAUDITED) SIX MONTHS ENDED JUNE 30, 1998	1997
SALES	$ 61,178	$ 57,915	$ 119,792	$ 114,292
COSTS AND EXPENSES:				
Costs of products sold	43,542	42,946	88,131	86,131
Selling, general and administrative expense	8,178	5,838	16,173	10,238
Research and development expense	5,621	4,045	10,388	7,843
Royalty expense	3,118	1,188	5,863	2,397
Other operating expense, principally freight and amortization	577	686	1,159	1,620
OPERATING INCOME (LOSS)	142	3,212	(1,922)	6,063
INTEREST INCOME	3	27	12	212
INTEREST EXPENSE	(1,401)	(992)	(3,177)	(1,968)
OTHER, NET	187	(16)	47	(25)
INCOME (LOSS) BEFORE BENEFIT (PROVISION) FOR INCOME TAXES	(1,069)	2,231	(5,040)	4,282
BENEFIT (PROVISION) FOR INCOME TAXES	552	(218)	2,605	(919)
NET INCOME (LOSS)	($ 517)	$ 2,013	($ 2,435)	$ 3,363
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	($ 0.01)	$ 0.06	($ 0.07)	$ 0.10

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

NABI

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)	(UNAUDITED) SIX MONTHS ENDED JUNE 30, 1998	1997
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	($ 2,435)	$ 3,363
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	5,640	4,491
Provision for doubtful accounts	(75)	35
Other	136	8
Deferred income taxes	(2,605)	--
Change in assets and liabilities:		
Decrease (increase) in trade accounts receivable	2,544	295
Decrease (increase) in inventories	6,835	(13,679)
Decrease (increase) in prepaid expenses and other assets	5,178	149
Decrease (increase) in other assets	79	(3,408)
Increase (decrease) in accounts payable and accrued liabilities	(5,194)	(10,846)
Total adjustments	12,538	(22,955)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	10,103	(19,592)
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from maturity of short-term investments	--	8,850
Capital expenditures	(9,227)	(20,092)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(9,227)	(11,242)
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowing (repayments) under line of credit, net	(6,646)	13,700
Borrowings under term loan	5,000	--
Other debt	(938)	3,600
Proceeds from the exercise of options and warrants	113	379
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(2,471)	17,679
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,595)	(13,155)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,397	18,513
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,802	$ 5,358

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

NABI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 GENERAL

Nabi is a fully integrated research and development driven biopharmaceutical company that develops and commercializes products for the prevention and treatment of infectious diseases and immunological disorders, and supplies human-blood plasma.

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, 1997.

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, 1998 and the consolidated results of its operations for the three and six months ended June 30, 1998 and 1997. 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:

DOLLARS IN THOUSANDS	JUNE 30, 1998	DECEMBER 31, 1997
Finished goods	$35,283	$40,029
Work in process	516	212
Raw materials	3,694	3,787
	39,493	44,028
Less: reserves	(2,941)	(641)
TOTAL	$36,552	$43,387

NOTE 3 PROPERTY AND EQUIPMENT

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

DOLLARS IN THOUSANDS	JUNE 30, 1998	DECEMBER 31, 1997
Information systems	$19,934	$19,066
Leasehold improvements	19,535	18,077
Machinery and equipment	17,385	16,882
Land and buildings	8,722	8,634
Furniture and fixtures	4,884	4,568
Construction in progress	51,939	46,776
Total property and equipment	122,399	114,003
Less: accumulated depreciation and amortization	(28,276)	(24,816)
TOTAL	$94,123	$89,187

Construction in progress consists primarily of costs incurred in connection with construction of Nabi's biopharmaceutical facility and includes capitalized interest of $6,737 and $5,149 at June 30, 1998 and December 31, 1997, respectively.

NOTE 4 EARNINGS PER SHARE

The following is a reconciliation between basic and diluted earnings per share for the three and six months ending June 30, 1998 and 1997:

	BASIC EPS	EFFECT OF DILUTIVE SECURITIES: STOCK OPTIONS	DILUTED EPS
THREE MONTHS ENDED JUNE 30, 1998			
Net loss	($517)	--	($517)
Shares	34,889	--	34,889 (1)
Per share	($0.01)		($0.01)
THREE MONTHS ENDED JUNE 30, 1997			
Net income	$2,013	--	$2,013
Shares	34,747	301	35,048
Per share	$0.06		$0.06
SIX MONTHS ENDED JUNE 30, 1998			
Net loss	($2,435)	--	($2,435)
Shares	34,870	--	34,870 (1)
Per share	($0.07)		($0.07)
SIX MONTHS ENDED JUNE 30, 1997			
Net income	$3,363	--	$3,363
Shares	34,712	507	35,219
Per share	$0.10		$0.10

(1) AT JUNE 30, 1998, STOCK OPTIONS FOR SHARES OF COMMON STOCK WERE NOT INCLUDED IN THE CALCULATION OF DILUTED EARNINGS PER SHARE BECAUSE THE EFFECTS WERE ANTI-DILUTIVE.

NOTE 5 COMPREHENSIVE INCOME

Effective January 1, 1998, Nabi adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income" which establishes new rules for the reporting of comprehensive income.

The components of comprehensive income for the three and six months ended June 30, 1998 and 1997 are as follows:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
DOLLARS IN THOUSANDS	1998	1997	1998	1997
Net income (loss)	($517)	$2,013	($2,435)	$3,363
Other comprehensive income (loss)	35	(56)	(9)	(392)
TOTAL	($482)	$1,957	($2,444)	$2,971

NOTE 6 RECENT PRONOUNCEMENTS

In April 1998, Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities" was issued. This SOP requires that all start-up or pre-operating costs be expensed as incurred and is effective for fiscal years beginning after December 15, 1998. Management believes that the adoption of the SOP will not have a material impact on the financial statements.

NOTE 7 RECLASSIFICATIONS

Certain items in the consolidated financial statements for the 1997 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 six month periods ended June 30, 1998 and 1997. 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,	
	1998	1997	1998	1997
Sales	100.0 %	100.0 %	100.0 %	100.0 %
Costs of products sold	71.2 %	74.2 %	73.6 %	75.4 %
Gross profit margin	28.8 %	25.8 %	26.4 %	24.6 %
Selling, general and administrative expense	13.4 %	10.1 %	13.5 %	9.0 %
Research and development expense	9.2 %	7.0 %	8.7 %	6.8 %
Royalty expense	5.1 %	2.0 %	4.9 %	2.1 %
Other operating expense, principally freight and amortization	0.9 %	1.2 %	0.9 %	1.4 %
Operating income (loss)	0.2 %	5.5 %	(1.6)%	5.3 %
Interest income	0.0 %	0.0 %	0.0 %	0.1 %
Interest expense	(2.2)%	(1.7)%	(2.6)%	(1.7)%
Other, net	0.3 %	(0.0)%	0.0 %	(0.0)%
Income (loss) before benefit (provision) for income taxes	(1.7)%	3.8 %	(4.2)%	3.7 %
Benefit (provision) for income taxes	0.9 %	(0.3)%	2.2 %	(0.8)%
Net income (loss)	(0.8)%	3.5 %	(2.0)%	2.9 %

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

		THREE MONTHS ENDED JUNE 30,			
DOLLARS IN THOUSANDS		1998		1997	
Segment					
Plasma	- Source	$32,686	53.4%	$34,923	60.3%
	- Specialty	10,639	17.4%	14,296	24.7%
	- Other (includes diagnostic products and services)	2,293	3.8%	1,113	1.9%
		45,618	74.6%	50,332	86.9%
Drugs		15,560	25.4%	7,583	13.1%
	TOTAL	$61,178	100.0%	$57,915	100.0%

DOLLARS IN THOUSANDS		SIX MONTHS ENDED JUNE 30, 1998		1997	
Segment					
Plasma	- Source	$66,694	55.7%	$68,819	60.2%
	- Specialty	21,339	17.8%	30,552	26.7%
	- Other (includes diagnostic products and services	3,547	3.0%	2,430	2.1%
		91,580	76.5%	101,801	89.0%
Drugs		28,212	23.5%	12,491	11.0%
	TOTAL	$119,792	100.0%	$114,292	100.0%

THREE MONTHS ENDED JUNE 30, 1998 AND 1997

SALES. Sales for the second quarter of 1998 increased by $3.3 million to $61.2 million compared to $57.9 million for the second quarter of 1997. The increase was primarily attributable to a substantial increase in the sales of drug products based on a strong demand for all three of Nabi's marketed therapeutics. This significant increase was partially offset by a decline in plasma product sales.

GROSS PROFIT MARGIN. Gross profit and related margin for the second quarter of 1998 was $17.6 million, or 28.8% of sales, compared to $15 million, or 25.8% of sales, in the second quarter of 1997. The increase in gross profit and related margin resulted from increased sales of high-margin drug products, offset by the effects of reduced margins on plasma product sales. Gross profits and related margins on plasma product sales were adversely affected by under absorption of fixed overhead as a result of reduced production levels in response to the general disruption in the plasma industry as well as by certain expenses associated with process improvement initiatives within plasma operations.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative expense was $8.2 million or 13.4% of sales for the second quarter of 1998 compared to $5.8 million, or 10.1% of sales, in the second quarter of 1997. The increase resulted primarily from sales and marketing expenses associated with increased drug product sales, costs associated with Nabi's restructuring measures and expenses associated with the implementation and ongoing support of new information systems.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $5.6 million, or 9.2% of sales, for the second quarter of 1998 compared to $4 million, or 7% of sales, in the second quarter of 1997. The increase in expense related primarily to costs associated with the advancement of clinical trials for Nabi-StaphVAX(TM) and Nabi-H-BIG(R).

INTEREST EXPENSE. Interest expense for the second quarter of 1998 was $1.4 million, or 2.2% of sales, compared to $1 million, or 1.7% of sales, in the second quarter of 1997. The increase was primarily attributable to interest expense associated with higher average outstanding borrowings in 1998 as compared to 1997.

OTHER FACTORS. Benefit for income taxes was $0.6 million or an effective rate of 52%, in the second quarter of 1998 compared to a $0.2 million provision, or an effective rate of 9.8%, in the second quarter of 1997. The effective tax rate for the second quarter of 1998 differs from the statutory rate of 35% primarily due to foreign losses, non-deductible goodwill and alternative minimum taxes. The effective rate for the second quarter of 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.

SIX MONTHS ENDED JUNE 30, 1998 AND 1997

SALES. Sales for the first half of 1998 increased by $5.5 million to $119.8 million compared to $114.3 million for the first half of 1997. The increase was primarily attributable to a substantial increase in the sales of drug products based on a strong demand for all three of Nabi's marketed therapeutics. This significant increase was partially offset by a decline in plasma product sales.

GROSS PROFIT MARGIN. Gross profit and related margin for the first half of 1998 was $31.7 million, or 26.4% of sales, compared to $28.2 million, or 24.6% of sales, in the first half of 1997. The increase in gross profit and related margin resulted from increased sales of high-margin drug products, offset by the effects of reduced margins on plasma product sales. Gross profits and related margins on plasma product sales were adversely affected by under absorption of fixed overhead as a result of reduced production levels in response to the general disruption in the plasma industry as well as by certain expenses associated with process improvement initiatives within plasma operations.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative expense was $16.2 million, or 13.5% of sales, for the first half of 1998 compared to $10.2 million, or 9% of sales, in the first half of 1997. The increase resulted primarily from sales and marketing expenses associated with increased drug product sales, costs associated with Nabi's restructuring measures and expenses associated with the implementation and ongoing support of new information systems.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $10.4 million, or 8.7% of sales, for the first half of 1998 compared to $7.8 million, or 6.8% of sales, in the first half of 1997. The increase in expenses related primarily to costs associated with the advancement of clinical trials for Nabi-H-BIG(R), Nabi-StaphVAX(TM) and Nabi-Altastaph(TM).

INTEREST EXPENSE. Interest expense for the first half of 1998 was $3.1 million, or 2.6% of sales, compared to $2 million, or 1.7% of sales, in the first half of 1997. The increase was primarily attributable to interest expense associated with higher average outstanding borrowings in the first half of 1998 when compared to 1997.

OTHER FACTORS. Benefit for income taxes was $2.6 million or an effective rate of 52%, in the first half of 1998 compared to a $0.9 million provision, or an effective rate of 21.5%, in the first half of 1997. The effective tax rate for the first half of 1998 differs from the statutory rate of 35% primarily due to foreign losses, non-deductible goodwill and alternative minimum taxes. The effective tax rate for the first half of 1997 reflects a cumulative adjustment reducing the Company's expected tax rate for 1997, principally due to foreign trade income and a reduction in tax reserves established in prior periods.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 1998, Nabi's credit agreement provided for a $45 million revolving credit facility subject to certain borrowing base restrictions as defined in the agreement which matures in September 2002, and a $5 million term loan due March 1999. Borrowings under the agreement were $32.6 million and additional availability was approximately $8.8 million at June 30, 1998. The credit agreement is secured by substantially all of Nabi's assets, contains covenants requiring the maintenance of certain financial covenants and prohibits the payment of dividends.

As of June 30, 1998, Nabi's current assets exceeded current liabilities by $51.5 million as compared to a net working capital position of $63.9 million at December 31, 1997.

Projected capital expenditures for 1998 include deferred validation costs, including capitalized interest for manufacturing facilities, development of information systems, and plasma 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 1998.

YEAR 2000

Nabi is conducting an assessment of the extent to which the Company's software, equipment and other systems are Year 2000 compliant. This assessment is ongoing, but at this time, based on the work to date, the Company has no reason to believe either that its software, equipment and other systems is not Year 2000 compliant or that it will not be able to modify or replace, in a timely manner, any software equipment or other system which, if not Year 2000 compliant, could be expected to affect adversely the Company's delivery of products and related services in a significant manner.

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, 1997 concerning certain factors that could adversely affect Nabi's future operating performance or cause Nabi's actual results to differ materially from the results anticipated in such forward-looking statements, including in particular the risks described under the caption, "Dependence Upon Third Parties to Manufacture Products." 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, 1997. 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 matter was approved at Nabi's annual stockholders' meeting, which was held on May 29, 1998:

a) Election of the following Board of Directors:

	VOTES	
	For	Withheld
John C. Carlisle	30,975,386	315,561
David L. Castaldi	30,995,869	295,078
Joseph C. Cook, Jr.	30,995,536	295,411
Brian H. Dovey	30,996,482	294,465
George W. Ebright	30,991,368	299,579
David J. Gury	30,896,273	394,674
Richard A. Harvey, Jr.	30,987,610	303,337
Linda Jenckes	30,983,310	307,637
David A. Thompson	30,993,947	297,000

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibit

10.30 Employment Agreement dated June 1, 1998 between Thomas H. McLain and Nabi... 15

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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 13, 1998

By: /s/ Thomas H. Mclain

THOMAS H. MCLAIN
Senior Vice President, Corporate Services and
Chief Financial Officer

EXHIBIT 10.30

EMPLOYMENT AGREEMENT
DATED JUNE 1, 1998
BETWEEN
THOMAS H. MCLAIN AND NABI

NABI
- --

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

EFFECTIVE AS OF JUNE 1, 1998

Mr. Thomas H. McLain
37 Fall Meadow Drive
Pittsford, New York 14534

Dear Tom:

You have agreed to serve as Senior Vice President Corporate Services and Chief Financial Officer of Nabi. The following are the terms of such employment:

1. TERM: You will serve as Senior Vice President Corporate Services and Chief Financial Officer of Nabi, for a period beginning as of the date hereof and ending on May 30, 2001, unless your employment is sooner terminated as provided below (the "Employment Period").

2. SALARY: Your salary will be $170,000.00 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 based on 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 Nabi's Senior Vice President Corporate Services and Chief Financial Officer. 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 180 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 twelve (12) equal monthly installments. 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, its 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
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/ Thomas H. Mclain
- ----------------------------
Thomas H. McLain
37 Fall Meadow Drive
Pittsford, New York 14534

EXHIBIT 10.31

ADDENDUM
TO
EMPLOYMENT AGREEMENT
DATED AUGUST 19, 1996
BETWEEN
DAVID D. MUTH AND NABI

Nabi

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

Addendum to Employee Agreement dated August 19, 1996
Mr. David D. Muth

Effective May 15, 1998, the above referenced Employee Agreement is hereby amended as follows:

Section 7 (C) ".... Nabi will pay you severance pay of twelve (12) months of your annual base salary..."

/s/ David D. Muth 5/18/98

DAVID D. MUTH DATE

Approved:

/s/ David J. Gury 5/15/98

DAVID J. GURY DATE

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JUNE 30, 1998 (UNAUDITED) AND THE CONSOLIDATED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 1998 (UNAUDITED) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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JAN-01-1998
JUN-30-1998
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33,590
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RECEIVABLES, INVENTORY, AND PP&E REPRESENT NET AMOUNTS.
LOSS PROVISION INCLUDED IN OTHER EXPENSES.