UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

[X] QUARTERLY RE PORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1998

OR

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

For the transition period from _______ to _______

Commission file number 1-12694

SOLIGEN TECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

WYOMING	**95-4440838**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

19408 Londelius Street
Northridge, California 91324
(Address of principal executive offices, including zip code)

(818) 718-1221
(Issuer's telephone number, including area code)

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

Number of shares of issuer's common stock outstanding as of August 3, 1998: 32,682,338

Transitional Small Business Disclosure Format: Yes [ ] No [X]

SOLIGEN TECHNOLOGIES, INC.
FORM 10-QSB

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PART I: FINANCIAL INFORMATION

Item 1: Consolidated Financial Statements

SOLIGEN TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 1998 (unaudited)	March 31, 1998
ASSETS		
Current assets:		
Cash	$ 463,000	$ 215,000
Accounts receivable	1,295,000	1,258,000
Inventories	120,000	118,000
Prepaid expenses	110,000	104,000
Total current assets	1,988,000	1,695,000
Property, plant and equipment	2,272,000	2,197,000
Less allowance for depreciation and amortization	1,476,000	1,350,000
Net property, plant and equipment	796,000	847,000
Other assets	37,000	37,000
Total assets	$ 2,821,000	$ 2,579,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 370,000	$ 566,000
Trade accounts payable	261,000	485,000
Payroll and related expenses	176,000	186,000
Accrued expenses	242,000	184,000
Deferred revenue	101,000	97,000
Total current liabilities	1,150,000	1,518,000
Notes payable, net of current portion	25,000	25,000
Stockholders' equity:		
Preferred stock, no par value:		
Authorized – 10,000,000 shares		
Issued and outstanding – 1,600 shares at June 30, 1998	775,000	--
Common stock, no par value:		
Authorized – 90,000,000 shares		
Issued and outstanding – 32,682,338 shares at June 30, 1998 and at March 31, 1998	10,332,000	10,294,000
Accumulated deficit	(9,461,000)	(9,258,000)
Total stockholders' equity	1,646,000	1,036,000
Total liabilities and stockholders' equity	$ 2,821,000	$ 2,579,000

The accompanying notes are an integral part of these financial statements.

SOLIGEN TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

	Three Months Ended June 30,	
	1998	**1997**
Revenues	$ 1,640,000	$ 1,233,000
Cost of revenues	1,096,000	880,000
Gross profit	544,000	353,000
Operating expenses:		
Research and development	244,000	263,000
Selling	180,000	136,000
General and administrative	236,000	210,000
Non-cash compensation	38,000	39,000
Total operating expenses	698,000	648,000
Loss from operations	(154,000)	(295,000)
Other income (expense):		
Interest income	1,000	1,000
Interest expense	(56,000)	(4,000)
Other income	8,000	--
Total other income (expense)	(47,000)	(3,000)
Loss before provision for income taxes	(201,000)	(298,000)
Provision for state income taxes	2,000	1,000
Net loss	$ (203,000)	$ (299,000)
Basic and diluted net loss per share	$ (0.01)	$ (0.01)

The accompanying notes are an integral part of these financial statements.

SOLIGEN TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Three Months Ended June 30, 1998	1997
Cash flows from operating activities		
Net loss	$ (203,000)	$ (299,000)
Depreciation and amortization	126,000	93,000
Non-cash interest expense	35,000	--
Non-cash compensation expense	38,000	39,000
Changes in assets and liabilities:		
Increase in accounts receivable	(37,000)	(157,000)
(Increase) decrease in inventories	(2,000)	21,000
Increase in prepaid expenses	(41,000)	(65,000)
Increase (decrease) in trade accounts payable	(224,000)	172,000
Decrease in payroll and related expenses	(10,000)	(49,000)
Increase in accrued expenses	58,000	53,000
Increase (decrease) in deferred revenues	4,000	(32,000)
Decrease in other assets	--	8,000
Net cash used for operating activities	(256,000)	(216,000)
Cash flows from investing activities:		
Additions in property, plant and equipment	(75,000)	(46,000)
Net cash used for investing activities	(75,000)	(46,000)
Cash flows from financing activities:		
Principal payments under capital lease obligations	(28,000)	(23,000)
Payments on notes payable	(168,000)	--
Preferred stock, net of issuance costs	775,000	--
Convertible debentures, net of issuance costs	--	131,000
Net cash provided by financing activities	579,000	108,000
Net increase (decrease) in cash	248,000	(154,000)
Cash beginning of period	215,000	506,000
Cash end of period	$ 463,000	$ 352,000

The accompanying notes are an integral part of these financial statements.

SOLIGEN TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

The financial information included herein for the three month period ended June 30, 1998 and 1997 is unaudited; however, such information reflects all adjustments consisting only of normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods. The financial information as of March 31, 1998, is derived from Soligen Technologies, Inc's Annual Report on Form 10-KSB for the fiscal year ended March 31, 1998. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's 1998 Form 10-KSB.

The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

Accounting Policies

Reference is made to Note 1 of Notes to Financial Statements in the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 1998 for the summary of significant accounting policies.

Inventories

Inventories are stated at the lower of cost or market on a first-in, first-out basis. Inventories consist of the following:

	June 30, 1998
Raw materials and parts	$ 67,000
Work in process	39,000
Finished goods	14,000
Total inventories	$ 120,000

Deferred Revenue

Deferred revenue relates to the DSPC technology profit center. The deferred revenue related to machine revenues results mainly from the Company's issuance of licenses for the use of the machines, or to support the machines in the form of maintenance, rather than the outright sale of machines.

Debt

Notes Payable and Capital Leases

Notes payable and capital leases consists of the following at June 30, 1998

Notes payable to former owners of A-RPM, bearing no interest, due in November 1998	$ 38,000
Notes to various investors and related parties, bearing interest at 12 %, due in July 1998	260,000
Note to insurance company, bearing interest at 5.4%, due in November 1998	28,000
Capital leases	69,000
	395,000
Less – current portion	(370,000)
	$ 25,000

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statement and Associated Risks

This Quarterly Report on Form 10-QSB contains certain forward-looking statements. These forward-looking statements are based largely on the Company's current expectations and are subject to a number of risks and uncertainties including, among others (i) customer acceptance of the Company's "one stop shop" Parts Now program; (ii) the possible emergence of competing techonolgies; and (iii) the Company's ability to obtain additional financing required to support its continuing operations and projected revenue growth. Actual results could differ materially from these forward-looking statements. In view of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this Quarterly Report on Form 10-QSB will in fact transpire.

The following discussion should be read in conjunction with the accompanying Financial Statements of Soligen Technologies, Inc. ("STI") and its wholly-owned subsidiaries Soligen, Inc. ("Soligen") and Altop, Inc. ("Altop") (collectively referred to herein as the "Company") including the notes thereto, included elsewhere in this Quarterly Report.

Overview

The Company has developed a proprietary technology known as Direct Shell Production Casting ("DSPC®"). This technology is embodied in the Company's DSPC 300 System (the "DSPC System"), which produces ceramic casting molds directly from Computer Aided Design ("CAD") files. These ceramic molds are used to cast metal parts, which conform to the CAD design. This unique capability distinguishes the DSPC System from rapid prototyping technologies that are characterized by the ability to produce non-functional, three-dimensional representations of parts from CAD files.

The Company's DSPC System is based upon proprietary technology developed by the Company and certain patent and other proprietary rights licensed to Soligen, a wholly-owned subsidiary of the Company, by the Massachusetts Institute of Technology ("MIT") pursuant to a license agreement (the "License") dated October 18, 1991, as amended. Pursuant to the License, MIT granted Soligen an exclusive, world-wide license until October 1, 2006 to develop, manufacture, market and sell products utilizing certain technology and processes for the production of ceramic casting molds for casting metal parts. The license continues on a non-exclusive basis thereafter until the expiration of the last patent relating to the licensed technology. The exclusive period may be extended by mutual agreement of both parties.

The Company believes that the rapid mold production capabilities of the DSPC System provide a substantial competitive advantage over existing producers of cast metal parts. Use of the DSPC System eliminates the need to produce tooling (patterns and core boxes) for limited runs of metal parts, thereby reducing both the time and the labor otherwise required to produce ceramic casting molds for casting the metal parts. It provides for a paradigm shift by enabling engineers to postpone the design or the fabrication of production casting tooling until after the designed part has been functionally tested. This ability, in addition to expediting the design verification and testing, enables manufacturers to save time and money by designing the production casting tools, which are required for large production runs, with very little chance for error, on the first attempt.

The DSPC System can also be used to produce the production tooling (usually made of steel), required to cast the parts in larger production runs. To capitalize on this advantage, the Company plans to form a network of rapid response production facilities owned either by the Company or by licensed third parties. This network will operate under the trade name Parts Now® service. These facilities will include DSPC production facilities and foundries with in-house machine shops. The Company intends to establish itself as a leading manufacturer of cast metal parts by providing a seamless transition from CAD file to finished part.

The Company operates the following four major revenue-generating profit centers:

1. **Parts Now Center ("Parts Now"):** Oversees the "one stop shop" production services from receipt of the customer's CAD file through production. Parts Now is responsible for any contract which requires a combination of the DSPC production center and conventional casting and CNC machining expertise. It consists of program managers who oversee the transition from CAD to first article, to tooling, to conventional casting and later

to mass production. It acquires services from the DSPC Production Center and the conventional casting center at cost.

2. **DSPC Production Center:** Revenues result from the production and sale of first article and short run quantities of cast metal parts made directly from the customer's CAD file. This center also provides DSPC parts and tool making services to the Parts Now Center. These services are charged to Parts Now at cost.

3. **Conventional Casting Center ("Production Parts"):** Revenues result from the production, and sale of production quantities of cast and machined aluminum parts for industrial customers. The Company generates revenues in this area through Altop, its aluminum foundry and machine shop. This center is limited to conventional casting of aluminum parts that do not utilize DSPC made tooling.

4. **DSPC Technology Center:** Revenues result from the sale, lease, license or maintenance of DSPC machines and from participation in research and development projects wherein Soligen provides technological expertise.

Results of Operations

Revenues for the three months ended March 31, 1998 and three months ended June 30, 1998 and 1997 were as follows:

	Three Months Ended March 31, 1998	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997
Parts Now®	$ 619,000	$ 715,000	$ 498,000
DSPC® production	823,000	600,000	420,000
Production parts	290,000	288,000	218,000
DSPC® technology	48,000	37,000	97,000
Total revenues	$ 1,780,000	$ 1,640,000	$ 1,233,000

Revenues for the quarter ended June 30, 1998, were $1,640,000, an increase of 33% compared to $1,233,000 in the quarter ended June 30, 1997. Compared to the comparable period a year ago, combined revenues for Parts Now and DSPC production increased $397,000, or 43% reflecting acceptance of the Company's core business in the market place. Combined revenues for Parts Now and DSPC dipped slightly from $1,442,000 in the quarter ended March 31, 1998 to $1,315,000 in the quarter ended June 30, 1998. Quarterly fluctuation of this magnitude is not considered of significance since a large portion of Soligen's business is associated with year to year trends of the automotive industry. Production parts (Altop) increased to $288,000 in the quarter ended June 30, 1998 from $218,000 in the similar quarter last year. DSPC technology revenues in the quarter ended June 30, 1998 were $37,000 compared to $97,000 in the quarter ended June 30, 1997 and $48,000 in the quarter ended March 31, 1998. The quarter ended June 30, 1997 included a one time $50,000 maintenance fee from a major company.

Gross profit for the three months ended June 30, 1998 was $544,000 or 33% as compared to $353,000 or 29% in the quarter ended June 30, 1997. The change represented an increase of $191,000 or 54%. The increase was due to a reduction in per unit costs associated with increased revenues.

Research and development expenses were $244,000 and $263,000 for the quarters ended June 30, 1998 and June 30, 1997, respectively. The Company intends to continue advancement of DSPC technology and its applications as key to its business strategy.

Selling expenses increased to $180,000 for the quarter ended June 30,1998 from $136,000 in the quarter ended June 30, 1997. The increase in selling expenses was the result of costs associated with establishing a mid-west sales office and sales commissions related to certain revenues..

General and administrative expenses increased to $236,000 for the quarter ended June 30, 1998 as compared to $210,000 for the similar quarter last year. The first quarter for fiscal 1998 experienced lower than average legal fees.

The Company issued stock options to non-employees in fiscal 1996 and, according to SFAS No. 123 (Accounting for Stock-Based Compensation), non-cash compensation expense is to be recognized over the expected period of benefit. As a result, the Company recognized $38,000 and $39,000 non-compensation expense, respectively, in the quarters ended June 30, 1998 and June 30, 1997. The Company expects to recognize a total of approximately $152,000 non-cash compensation expense during fiscal 1999.

Interest expense increased to $56,000 in the quarter ended June 30, 1998 from $4,000 in the quarter ended June 30, 1997. The Company issued warrants to the short-term debt investors and, according to SFAS No. 123, non-cash interest expense related to the warrants is to be recognized over the expected period of the loan. As a result, the Company recognized $35,000 non-cash interest expense in the quarter ended June 30, 1998. The Company expects to recognize a total of approximately $89,000 non-cash interest expense during fiscal 1999. The additional interest expense in the amount of $21,000 was the result of payments made for capital leases, other notes payable, short-term debt investors and the commercial lender associated with the revolving line of credit.

Cash and Sources of Liquidity

At June 30, 1998, working capital increased to $838,000 compared to working capital of $391,000 at June 30, 1997 and $177,000 at March 31, 1998. The increase in working capital from March 31, 1998 to June 30, 1998 was due primarily to the preferred stock offering in April 1998 which provided $775,000, net of issuance costs. At June 30, 1998, the Company had $1,758,000 in cash and accounts receivable, compared to cash and accounts receivable of $1,232,000 at June 30, 1997 and $1,473,000 at March 31, 1998.

In April 1998, the Company received net proceeds of $775,000 from the sale of 1,600 shares of Series A Preferred Stock to two private investors. The Series A Convertible Preferred Stock Purchase Agreement, as amended, between the Company and these investors, permits additional sales of Series A Preferred Stock to be completed until September 8, 1998. In addition, in July 1998, the Company received additional net proceeds of $88,000 from the sale of 200 shares of Series A Preferred Stock to the same two private investors pursuant to the Series A Convertible Preferred Stock Purchase Agreement.

In August 1997, the Company entered into an agreement with a commercial lender for an up to $1 million revolving line of credit, collateralized by accounts receivable, inventory and fixed assets. The credit facility provides for an advance rate of 75% of eligible accounts receivable. In July 1998, the agreement was extended for an additional year to provide the $1 million revolving line of credit at an advance rate of 80% of eligible accounts receivable.

The Company requires significant funds to expand and continue operations. The Company believes the current cash on hand and its revolving line of credit will be sufficient to meet its working capital and capital expenditures requirements through March 31, 1999. The Company is actively seeking to raise additional funds; however, there can be no assurance to the success of these efforts.

PART II: OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds

On April 24, 1998, the Company entered into a Series A Convertible Preferred Stock Purchase Agreement providing for the private placement of up to 3,000 shares of a newly authorized series of preferred stock. The Company received gross proceeds of $800,000 in April 1998 and $100,000 in July 1998 from the sale of 1,600 and 200 shares, respectively, of Series A Preferred Stock to two private investors pursuant to the Series A Convertible Preferred Stock Purchase Agreement. The Series A Convertible Preferred Stock Purchase Agreement, as amended, permits additional sales of Series A Preferred Stock to be completed until September 8, 1998.

In December 1997, the Company's Board of Directors approved a short-term debt and warrant financing. The offering was completed in a private placement transaction to accredited investors only pursuant to Regulation D and Rule 506 thereunder. A total of six investors loaned a total of $220,000 to the Company in December 1997, and one investor loaned an additional $40,000 to the Company in January 1998. Each investor received a promissory note in the principal amount of the amount loaned, bearing interest at the rate of 12% per annum and due six months from the date of the promissory note. In addition, for each dollar loaned to the Company the investors received a common stock purchase warrant exercisable for two shares of the Company's common stock (resulting in the issuance of warrants exercisable for a cumulative total of 520,000 shares of the Company's common stock). The warrants are exercisable for a period of five years at $0.50 per share. A finder's fee in the amount of $17,000 was paid to a non-employee member of the Company's Board of Directors in consideration of services provided in connection with the financing. One of the investors was a non-employee member of the Company's Board of Directors, one investor was an employee member of the Company's Board of Directors, and the remaining five investors were private investors. On June 12, 1998, the Company extended $220,000 notes payable under the same terms and conditions for an additional 45 days. In connection with this extension, warrants exercisable for 110,000 shares of the Company's common stock were issued to the investors. On July 27, 1998, the Company extended $210,000 notes payable under the same terms and conditions for an additional 90 days. In connection with this extension, warrants exercisable for 210,000 shares of the Company's common stock were issued to the investors.

Item 4. Submission of Matters to a Vote of Securities Holders

On April 20, 1998, the Company held a Special Meeting of Shareholders, at which time the following action was taken: The shareholders approved an amendment to Article 9 of the Articles of Incorporation to increase the number of authorized shares from 50,000,000 shares of common stock, no par value to 90,000,000 shares of authorized common stock, no par value and 10,000,000 shares of preferred stock, no par value. The amendment further authorized and empowered the Board of Directors to determine the relative rights and preferences of the preferred shares and to provide for issuance of the preferred shares in one or more series with such relative rights and preferences as the Board of Directors shall determine. At the meeting, 19,291,220 shares were voted in favor of the proposal, 468,067 shares voted negatively and 36,000 shares abstained from voting on the proposal.

Item 5. Other Information

See Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash and Sources of Liquidity above for description of sale of additional shares of Series A Preferred Stock that occurred in July 1998.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: The following exhibits are filed as part of this report:

Exhibit Number	Description
11.1	Computation of Net Loss Per Share
27	Financial Data Schedule for the Quarter Ended June 30, 1998

(b) Reports on Form 8-K.

The Company filed current report on Form 8-K on May 4, 1998 reporting the sale of 1,600 shares of Series A Preferred Stock and the approval of amendments to the Company's Articles of Incorporation by the Company's Shareholders.

SIGNATURES

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

SOLIGEN TECHNOLOGIES, INC.

Date: August 12, 1998

By: /s/ Yehoram Uziel
Yehoram Uziel
President, CEO and Chairman of the Board
(Principal executive officer)

Date: August 12, 1998

By: /s/ Robert Kassel
Robert Kassel
Chief Financial Officer
(Principal financial officer)

Exhibit 11.1

SOLIGEN TECHNOLOGIES, INC.

Computation of Net Loss Per Share

	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997
Weighted average number of shares outstanding	32,682,000	31,441,000
Net loss	$ (203,000)	$ (299,000)
Net loss per share - basic and diluted	$ (0.01)	$ (0.01)