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

FORM 10-QSB

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

For the quarterly period ended December 31, 1997

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 **(State or other jurisdiction of incorporation or organization)**	**95-4440838** **(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 filing requirements for the past 90 days. Yes [X] No [ ]

Number of shares of issuer's common stock outstanding as of February 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

	December 31, 1997 (unaudited)	March 31, 1997
ASSETS		
Current assets:		
Cash	$ 529,000	$ 506,000
Accounts receivable	647,000	723,000
Inventories	135,000	160,000
Prepaid expenses	56,000	49,000
Total current assets	1,367,000	1,438,000
Property, plant and equipment	2,128,000	2,112,000
Less allowance for depreciation and amortization	1,225,000	1,004,000
Net property, plant and equipment	903,000	1,108,000
Other assets	40,000	34,000
Total assets	$ 2,310,000	$ 2,580,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 393,000	$ 360,000
Trade accounts payable	410,000	251,000
Payroll and related expenses	151,000	146,000
Accrued expenses	109,000	105,000
Deferred revenue	169,000	131,000
Total current liabilities	1,232,000	993,000
Notes payable, net of current portion	50,000	100,000
Stockholders' equity:		
Common stock, no par value:		
Authorized -- 50,000,000 shares;		
Issued and outstanding: 32,682,338 at December 31 and 31,434,283 at March 31	10,185,000	9,776,000
Accumulated deficit	(9,157,000)	(8,289,000)
Total stockholders' equity	1,028,000	1,487,000
Total liabilities and stockholders' equity	$ 2,310,000	$ 2,580,000

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

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

	Three Months Ended December 31, 1997	Three Months Ended December 31, 1996	Nine Months Ended December 31, 1997	Nine Months Ended December 31, 1996
Revenues	$1,188,000	$1,334,000	$ 3,685,000	$ 2,627,000
Cost of revenues	818,000	654,000	2,588,000	1,617,000
Operating expenses:				
Research and development 266,000 780,000	803,000			
,000 521,000				
on 39,000			117,000	
Total operating expenses	721,000	695,000	2,095,000	2,084,000
Loss from operations	(351,000)	(15,000)	(998,000)	(1,074,000)
Other income (expense):				
Interest income	--	4,000	2,000	15,000
Interest expense	(8,000)	(15,000)	(23,000)	(282,000)
Other income	152,000	--	152,000	103,000
Total other income (expense)	144,000	(11,000)	131,000	(164,000)
Loss before provision for income taxes	(207,000)	(26,000)	(867,000)	(1,238,000)
Provision for state income taxes	--	3,000	1,000	3,000
Net loss	$ (207,000)	$ (29,000)	$ (868,000)	$ (1,241,000)
Basic and dilutive loss per share	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.04)

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

--- 680,000 1,097,000
Gross profit 1,010,000

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

	Nine Months Ended December 31, 1997	Nine Months Ended December 31, 1996
Cash flows from operating activities		
Net loss	$ (868,000)	$ (1,241,000)
Depreciation and amortization	293,000	285,000
Non-cash interest expense on convertible debt	--	250,000
Non cash compensation expense	117,000	--
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	76,000	(542,000)
(Increase) decrease in inventories	63,000	(22,000)
(Increase) decrease in prepaid expenses	(7,000)	16,000
Increase (decrease) in trade accounts payable	159,000	(230,000)
Increase (decrease) in payroll and related expenses	5,000	(38,000)
Increase in accrued expenses	4,000	2,000
Increase in deferred revenues	38,000	273,000
(Increase) decrease in other assets	(6,000)	9,000
Net cash used for operating activities	(126,000)	(1,238,000)
Cash flows from investing activities:		
Additions in property, plant and equipment	(126,000)	(146,000)
Net cash used for investing activities	(126,000)	(146,000)
Cash flows from financing activities:		
Principal payments under capital lease obligations	(27,000)	(50,000)
Payments on notes payable	(4,000)	--
Proceeds from issuance of notes payable	220,000	--
Cancellation of notes payable to former owners of A-RPM	(205,000)	--
Convertible debentures, net of issuance costs	--	666,000
Exercise of warrants and sale of common stock	291,000	--
Net cash provided by financing activities	275,000	616,000
Net increase (decrease) in cash	23,000	(768,000)
Beginning of period	506,000	1,189,000
End of period	$ 529,000	$ 421,000

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 and nine-month periods ended December 31, 1997 and 1996 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, 1997, is derived from Soligen Technologies, Inc's 1997 Form 10-KSB and 1997 Form 10-KSB/A-1. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's 1997 Form 10-KSB and 1997 Form 10-KSB/A-1.

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 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:

	December 31 1997
Raw materials	$ 84,000
Work in process	35,000
Finished goods	16,000
Total inventory	$ 135,000

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 consist of the following at December 31, 1997

Notes payable to former owners of A-RPM, (see Part II, Item 1)	$ 100,000
Other notes due through 1998	222,000
Capital leases	121,000
Total capital leases and notes payable	443,000
Less current portion	(393,000)
Long term portion	$ 50,000

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; and (ii) 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, which 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, Inc. (“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 to develop, manufacture, market and sell products utilizing certain technology and processes for the production of ceramic casting molds for casting metal parts patented by MIT until October 1, 2006, and 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, once and most likely correctly on the first attempt. The DSPC System can be also 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 when sufficient capital is available. 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 is completing its transition from a development stage company towards its goal of being a manufacturing / service company with continuing revenues from operations. The Company operates 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. The Parts Now Center acquires services from the DSPC Production Center and the conventional casting and machining 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. Revenues for this product line were initiated in the quarter ended March 31, 1995.

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 began generating revenues in this area through Altop, its aluminum foundry and machine shop, in July 1994. 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 September 30, 1997, and the three and nine months ended December 31, 1997 and 1996 were as follows:

	Three Months Ended September 30,	Three Months Ended December 31,		Nine Months Ended December 31,	
	1997	1997	1996	1997	1996
Parts Now®	$ 118,000	$ 400,000	$ 690,000	$ 886,000	$ 1,157,000
DSPC® production	612,000	529,000	282,000	1,691,000	472,000
Production parts	229,000	188,000	235,000	635,000	835,000
DSPC® technology	305,000	71,000	127,000	473,000	163,000
Total revenues	$ 1,264,000	$ 1,188,000	$ 1,334,000	$ 3,685,000	$ 2,627,000

Parts Now and DSPC combined revenues increased 27% from $730,000 in the second quarter ended September 30, 1997 to $929,000 in the third quarter ended December 31, 1997. Compared to the comparable period a year ago, DSPC revenues increased 88% from $282,000 to $529,000. Parts Now revenues declined 42% from $690,000 in the third quarter of fiscal 1997 to $400,000 in the third quarter of fiscal 1998. The decline is a result of a positive change in the nature of the new Parts Now programs which are spread over a longer time period. Despite the growing interest in Parts Now programs, which resulted in an increase in number and dollar value of Parts Now programs booked, the immediate effect on the revenues of Parts Now programs was a decrease in revenues in the quarter ended December 31, 1997. Consequently, combined revenues for Parts Now and DSPC in the third quarter of fiscal 1998 decreased by $43,000 or 4% over the similar period last year. The backlog at the end of the third and fourth quarters of fiscal 1997 for the Parts Now programs was less than 90 days while the backlog for the Parts Now programs at the end of the third quarter of fiscal 1998 is spread over several quarters. Management is encouraged by the increase in DSPC revenues and believes the increase in the duration of Parts Now programs should result in reduced volatility in the Parts Now programs product line.

Production parts revenues decreased from $229,000 for the quarter ended September 30, 1997 to $188,000 or 18% for the quarter ended December 31, 1997. Production parts revenues decreased to $188,000 for the three months ended December 31, 1997 from $235,000 or 20% for the similar period ended December 31, 1996. In addition, production parts revenues decreased to $635,000 for the nine months ended December 31, 1997 from $835,000 or 24% for the similar period last year. The Company continues to de-emphasize conventional castings and gradually replace them with Parts Now programs. The Company believes that this transition enables it to replace lower profit margin business segments, unrelated to Parts Now business strategy, with Parts Now programs.

DSPC technology's revenues decreased to $71,000 from $305,000 for the quarters ended December 31, 1997 and September 30, 1997, respectively. DSPC technology revenues deceased to $71,000 from $127,000 for the quarters ended December 31, 1997 and 1996, respectively, and increased to $473,000 from $163,000 for the nine months ended December

31, 1997 and 1996, respectively. The period ended September 30, 1997 included a $250,000 machine sale as previously noted. This sale of a DSPC machine is an unusual event and is a part of the Company's support of MIT's licensees. Future sales of machines to other MIT licensees will depend on the development of their business.

The Company's revenues for the third quarter ended December 31, 1997, were $1,188,000, a decrease of 11% compared to $1,334,000 in the quarter ended December 31, 1996. Revenues for the quarter ended September 30, 1997 included a $250,000 machine sale; excluding this machine sale, revenues increased from $1,014,000 to $1,188,000 or 17% for the quarter ended December 31, 1997. This machine sale was to another licensee of MIT's technology for a non-competing field of use. Total revenues for the nine months ended December 31, 1997 were $3,685,000, an increase of 40% compared to $2,627,000 for the nine months ended December 31, 1996. Combined revenues for Parts Now and DSPC for the nine months ended December 31, 1997 increased to $2,577,000 from $1,629,000 or 58% over the nine months ended December 31, 1996.

Gross profit for the three and nine months ended December 31, 1997, was $370,000 and $1,097,000, respectively, as compared to $680,000 and $1,010,000 for the three and nine months ended December 31, 1996. Beginning in the first quarter ended June 30, 1997 and continuing through the third quarter ended December 31, 1997, the Company has made and continues to make investments in programs leading to the manufacture of production tooling. The manufacture of production tooling is critical to the Company's business strategy although in the short term it has a negative impact on gross margins. In the third quarter of fiscal 1997 margins were high as a result of parts and tooling shipped in the same quarter The launch of a Parts Now program involves the creation of production tooling by DSPC. Production tooling is a new application for DSPC and its launch requires more resources at this stage. The main advantage of Parts Now programs is in the ability to commence production rapidly. The margins on the Parts Now program product are higher than conventional foundry margins. For the nine months ended December 31, 1997, gross profits increased by $87,000 or 9% over the similar period of the previous year. Consequently, gross margin as a percentage of revenues decreased to 31 from 51 percent for the three-month periods ending December 31, 1997, and 1996, respectively, and decreased to 30 from 38 percent for the nine months ended December 31, 1997 and 1996, respectively.

Research and development expenses were $261,000 and $260,000 for the quarters ended December 31, 1997 and 1996, respectively. For the nine months ended December 31, 1997 and 1996, research and development expenses were $780,000 or 21% of revenues and $803,000 or 31% of revenues, respectively. The Company intends to continue development of the DSPC technology and its applications as key to its business strategy.

Selling expenses decreased to $143,000 for the quarter ended December 31, 1997, from $171,000 for the quarter ended December 31, 1996. For the nine months ended December 31, 1997 and 1996, selling expenses deceased to $408,000 from $521,000, respectively. The decrease in selling expenses was the result of the consolidation of Altop's and Soligen's sales departments.

General and administrative expenses increased to $278,000 for the quarter ended December 31, 1997 from $264,000 for the quarter ended December 31, 1996. General and administrative expenses increased to $790,000 for the nine months ended December 31, 1997 from $760,000 for the nine months ended December 31, 1996.

The Company issued stock options to non-employees in fiscal 1996 and, according to SFAS 123, non-cash compensation expense is to be recognized over the expected period of benefit. As a result, the Company recognized $39,000 and $117,000, respectively, in the quarter and nine months ended December 31, 1997, and expects to recognize a total of approximately $156,000 non-cash compensation expense during fiscal 1998.

On December 15, 1997, the Company settled its lawsuit and counterclaim with A-RPM and recognized $152,000 other income in the quarter ended December 31, 1997. The other income is a result of the Company reversing notes payable, net of accrued interest and legal expenses. (see Part II, Item 1).

Cash and Sources of Liquidity

As of December 31, 1997, the Company had $1,176,000 in cash and accounts receivable, a decrease of $53,000 from $1,229,000 at March 31, 1997. At December 31, 1997, the Company reported working capital of $135,000 compared to working capital of $445,000 at March 31, 1997.

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 receivable, inventory and fixed assets. The credit facility provides for the advance rate of 75% of eligible accounts receivable.

The Company requires significant funds to continue operations. The Company believes the net proceeds of notes payable issued in December 1997, current cash and its revolving line of credit will be sufficient to meet its working capital and capital expenditures requirements through April 30, 1998. 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 1. Legal Proceedings

A-RPM Lawsuit and Counterclaim Settlement

On June 30, 1994, Altop, Inc., a wholly owned subsidiary of the Company, acquired substantially all of the assets of A-RPM Corporation, an aluminum foundry and machine shop located in Santa Ana, California. The assets were acquired pursuant to an Asset Purchase Agreement between Altop, A-RPM, the Company and Leland K. and Nancy B. Lowry, the sole shareholders of A-RPM. As payment for the assets, Altop delivered an initial cash payment in the amount of $100,000 and three promissory notes in the total principal amount of $220,000. Altop also assumed certain liabilities of A-RPM and agreed to deliver an additional payment of up to $100,000 contingent upon determination of certain net asset values according to a formula set forth in the Asset Purchase Agreement.

On March 22, 1995, the Company and Altop commenced an action against A-RPM and the Lowrys in the Superior Court for Orange County, California. The complaint in this action seeks damages for breach of the Asset Purchase Agreement, fraud, and negligent misrepresentation. Pending resolution of this dispute, the Company provided for a $305,000 liability in its consolidated financial statements.

A Settlement Agreement and Mutual General Release was executed on December 15, 1997, in which Altop, Inc. and the Company agreed to pay to Leland K. and Nancy B. Lowry the sum of $100,000, without interest, according to the following schedule:

January 1, 1998	$ 20,000
February 1, 1998 through October 1, 1998	$ 8,500 per month
November 1, 1998	$ 3,500

All of the parties settled all known disputes and resolved the claims to the above referenced actions. To secure the payment obligation, Altop and the Company executed a Stipulated Judgment in the Superior Court for Orange County, California on December 15, 1997.

Item 2. Changes in Securities and Use of Proceeds

(c) 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.

Item 6. Exhibits and Reports on Form 8-K

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

Number	**Description**
2.1	Share Exchange Agreement and Amendments (1)
2.2	MIT Share Acquisition Agreement (1)
2.3	Escrow Agreement (1)
2.4	Pooling Agreement (1)
3.1	Articles of Incorporation of Soligen Technologies, Inc. (1)
3.2	Bylaws of Soligen Technologies, Inc. (1)
3.3	First Amendment to Bylaws (3)
4.1	Modification Agreement (Pooling) (6)
4.2	Subscription Agreement for Private Placement (5)
4.3	Subscription Agreement for Private Placement (5)
4.4	Subscription Agreement for Private Placement (2)
4.5	Common Stock Purchase Warrant Agreement
11.1	Computation of Net Loss Per Share
27.	Financial Data Schedule

(1) Incorporated by reference to the Registration Statement on Form 10-SB (Reg. No. 1-12694) filed by the Company on December 20, 1993.

(2) Incorporated by reference to Amendment No. 1 to the Registration Statement on Form 10-SB (Reg. No. 1-12694) filed by the Company on February 7, 1994.

(3) Incorporated by reference to Amendment No. 2 to the Registration Statement on Form 10-SB (Reg. No. 1-12694) filed by the Company on February 22, 1994.

(5) Incorporated by reference to Form 10-QSB filed by the Company on November 14, 1995.

(6) Incorporated by reference to Form 10-KSB filed by the Company on June 17, 1996.

(b) No reports on Form 8-K were filed during the quarter ended December 31, 1997.

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: February 13, 1998

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

Date: February 13, 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 December 31,		Nine Months Ended December 31,	
	1997	**1996**	**1997**	**1996**
Weighted average common shares outstanding	32,678,634	30,080,540	32,240,344	29,852,400
Net loss	$ (207,000)	$ (29,000)	$ (868,000)	$ (1,241,000)
Basic and dilutive loss per share	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.04)