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, 1996

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 filing requirements for the past 90 days. Yes [X] No [ ]

Number of shares of issuer's common stock outstanding as of January 20, 1997: 31,434,285

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

SOLIGEN TECHNOLOGIES, INC.
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PART I: FINANCIAL INFORMATION

Item 1: Consolidated Financial Statements

SOLIGEN TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 1996 (unaudited)	March 31, 1996
ASSETS		
Current assets:		
Cash	$ 421,000	$ 1,189,000
Accounts receivable	989,000	447,000
Inventories	189,000	167,000
Prepaid expenses	84,000	55,000
Total current assets	1,683,000	1,858,000
Property, plant and equipment	2,028,000	1,882,000
Less allowance for depreciation and amortization	910,000	625,000
Net property, plant and equipment	1,118,000	1,257,000
Other assets	54,000	63,000
Total assets	$ 2,855,000	$ 3,178,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 371,000	$ 380,000
Accounts payable and accrued expenses	514,000	780,000
Deferred revenue	311,000	38,000
Total current liabilities	1,196,000	1,198,000
Convertible debentures	400,000	--
Notes payable, net of current portion	105,000	146,000
Total liabilities	1,701,000	1,344,000
Stockholders' equity:		
Common stock, no par value:		
Authorized -- 50,000,000 shares;		
Issued and outstanding: 30,418,412 at December 31 and 29,738,330 at March 31	9,192,000	8,631,000
Accumulated deficit	(8,038,000)	(6,797,000)
Total stockholders' equity	1,154,000	1,834,000
Total liabilities and stockholders' equity	$ 2,855,000	$ 3,178,000

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

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

	Three Months Ended December 31, 1996	Three Months Ended December 31, 1995	Nine Months Ended December 31, 1996	Nine Months Ended December 31, 1995
Revenues:				
Parts Now™	$ 690,000	$ --	$ 1,157,000	$ --
DSPC® production	282,000	229,000	472,000	611,000
Production parts	235,000	391,000	835,000	1,043,000
DSPC technology	127,000	133,000	163,000	408,000
Total revenues	1,334,000	753,000	2,627,000	2,062,000
Cost of revenues	654,000	506,000	1,617,000	1,378,000
Gross profit	680,000	247,000	1,010,000	684,000
Operating expenses:				
Research and development	260,000	232,000	803,000	719,000
Selling	171,000	153,000	521,000	338,000
General and administrative	264,000	211,000	760,000	701,000
Total operating expenses	695,000	596,000	2,084,000	1,758,000
Loss from operations	(15,000)	(349,000)	(1,074,000)	(1,074,000)
Other income (expense):				
Interest income	4,000	19,000	15,000	22,000
Interest expense	(15,000)	(2,000)	(282,000)	(36,000)
Other income	--	--	103,000	--
Total other income (expense)	(11,000)	17,000	(164,000)	(14,000)
Loss before provision for income taxes	(26,000)	(332,000)	(1,238,000)	(1,088,000)
Provision for state income taxes	3,000	--	3,000	--
Net loss	$ (29,000)	$ (332,000)	$ (1,241,000)	$(1,088,000)
Net loss per share	$ (0.00)	$ (0.01)	$ (0.04)	$ (0.04)

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

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

	Nine Months Ended December 31, 1996	1995
Cash flows from operating activities		
Net loss	$ (1,241,000)	$ (1,088,000)
Depreciation and amortization	285,000	337,000
Non-cash interest expense on convertible debentures	250,000	--
Changes in assets and liabilities:		
Increase in accounts receivable	(542,000)	(356,000)
Increase in inventories	(22,000)	(91,000)
(Increase) decrease in prepaid expenses	16,000	(8,000)
Decrease in accounts payable	(266,000)	(65,000)
Increase (decrease) in deferred revenues	273,000	(116,000)
Decrease in other assets	9,000	--
Net cash used for operating activities	(1,238,000)	(1,387,000)
Cash flows from investing activities:		
Additions in property, plant and equipment	(146,000)	(249,000)
Net cash used for investing activities	(146,000)	(249,000)
Cash flows from financing activities:		
Principal payments under capital lease obligations	(50,000)	(96,000)
Convertible debentures, net of issuance costs	666,000	--
Proceeds from private placements, net of issuance costs	--	2,785,000
Net cash provided by financing activities	616,000	2,689,000
Net increase (decrease) in cash	(768,000)	1,053,000
Beginning of period	1,189,000	331,000
End of period	$ 421,000	$ 1,384,000

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, 1996 and 1995 is unaudited; however, such information reflects all adjustments consisting only of normal recurring adjustments which are, in the opinion of management, necessary of a fair presentation for the financial position, results of operations and cash flows for the interim periods. The financial information as of March 31, 1996 is derived from Soligen Technologies, Inc's 1996 Form 10-KSB. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's 1996 Form 10-KSB. The Company filed Form 10-QSB/A-1 for the quarter ended September 30, 1996 as an amendment to the previously filed Form 10-QSB to reflect a change in the accounting treatment of the convertible debentures financing completed September 13, 1996.

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, 1996
Raw materials	$ 155,000
Work in process	13,000
Finished goods	21,000
Total inventory	$ 189,000

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, 1996:

Notes payable to former owners of A-RPM, collateralized by equipment and furnishings, bearing interest at 8%, interest payable quarterly, $85,000 currently due and $220,000 due in 2000 (see Part II, Item 1).	$ 305,000
Capital leases	167,000
Other notes to non-related parties, bearing interest from 8.125% to 12.3%, due at various dates through 1997	4,000
Total capital leases and notes payable	476,000
Less current portion	(371,000)
Long term portion	$ 105,000

Convertible Debentures

On September 13, 1996, the Company completed a $750,000 convertible debenture financing in accordance with SEC Regulation S. The debentures bear interest at the rate of 6% per annum and, if not earlier converted, principal and interest is payable in full in cash or common stock on August 31, 1999. The $84,000 of expenses related to the debenture financing were excluded from the consolidated statements of cash flows as a non-cash transaction.

The debentures are convertible by the holder into shares of the Company's common stock at a conversion price equal to 75% of the average price of the Company's common stock on the American Stock Exchange (Emerging Company Market) for the five trading days preceding the date of conversion. The Company has the right to force the conversion of debentures on these terms at the rate of $50,000 per week beginning October 15, 1996.

The Company recorded $250,000 in common stock as related to the debentures for the conversion feature and $250,000 as non-cash interest expense in September 1996.

In connection with the above transaction, investors received warrants exercisable for a total of

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

Forward-Looking Statement

This Form 10-QSB includes a forward-looking statement which is denoted with an "*" relating to cash and sources of liquidity. Investors are cautioned that this forward-looking statement involves risks and uncertainties that could cause actual results to differ materially from that in the forward-looking statement. The Company is in the early stages of developing the Parts Now business and does not have an easily predictable flow of orders. The amount of available cash could last a longer or shorter period of time depending upon the orders booked and related costs.

Overview

The following discussion should be read in conjunction with the accompanying unaudited consolidated 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 (see Part I, Item 1).

Based on technology licensed from MIT, the Company has developed, a proprietary technology known as Direct Shell Production Casting (DSPC®). The DSPC process enables the automatic creation of ceramic molds ("Shells") similar to those commonly used in metal casting, directly from a Computer Aided Design (CAD) file. DSPC is the only known process from which a Shell can be created before patterns or tooling are designed or made. As a result, DSPC becomes the only patternless casting process whereby cast metal parts can be fabricated directly from the customer CAD file. The Company's strategy is to combine this technological advantage with conventional casting and CNC machining technologies in order to become the premier out-sourcing vendor for production of cast metal parts which are fully developed and ready for assembly. This out-sourcing service is called Parts Now®.

Parts Now is designed to be a "one stop shop" for metal parts, a service the Company plans to launch in stages. Unlike traditional manufacturing of metal parts, where the production tooling must be made prior to producing a first article (or prototype), the Company utilizes its proprietary DSPC technology to create the first article before production tooling is made. Once the customer approves the first article, the Company utilizes its DSPC technology to generate the production tooling, then uses this tooling to manufacture production quantities. In both cases the CAD file of the customer is the master. There are three stages in developing Parts Now to its fullest capacity:

1. **Stage 1** -- Parts Now operates as a service bureau for functional cast and machined parts focusing on the DSPC center reputation as the most competitive producer of cast metal parts ("first article parts") made directly from the customer CAD file. In preparation for stage 2, Soligen acquired a conventional foundry and CNC machine shop.

2. **Stage 2** -- Parts Now combines DSPC with conventional casting by utilizing DSPC to produce the production tooling for conventional casting (patterns and core boxes), directly from the same CAD file as the approved first article. At this stage, the Company has to be

able to supply small to medium production quantities of cast metal parts, but not mass production quantities.

3. **Stage 3** -- Parts Now establishes joint ventures with mass production foundries which are able to use the DSPC made production tooling to augment Parts Now's in-house production capabilities for mass production.

The following will elaborate on the three stages discussed above:

In fiscal 1996, the Company's primary focus at its DSPC production centers was to serve customers as a stage 1 Parts Now center. This included creating cast metal parts with very complex geometry in a variety of alloys. The Company set up milestones for casting intake and exhaust manifolds in aluminum, ductile iron and stainless steel. Some of these parts could not have been produced nor delivered as quickly and cost-effectively using any other technique. The Company has established repeat business with such companies as Ford Motor Company, General Motors Corporation, Caterpillar, Inc., John Deere Company, Chicago Pneumatic Tool Company, Walt Disney and Porter Cable Corporation. To prepare for the implementation of stage 2 of the Company's Parts Now strategy, the Company established a wholly owned subsidiary, Altop, an aluminum foundry and machine shop located in Santa Ana, California.

In the first quarter of fiscal 1997, the Company began to implement the second stage of its Parts Now strategy. The first two programs included producing first article parts by DSPC, and, after customer approval of the first article parts, creating production tooling from the same CAD files. The production tooling was successfully used to conventionally cast aluminum parts which met the customer requirements and were functionally identical to the DSPC made first article parts.

As of December 31, 1996, the Company is continuing its transition from a development stage company into a manufacturing/service company with continuing revenues from operations. The Company operates four revenue-generating profit centers:

1. **Parts Now Profit Center (Parts Now):** Revenues are generated from providing program management of the "one stop shop" production services. Parts Now is responsible for any contract which requires a combination of the DSPC production center and the 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 (stage 3). It acquires services from the DSPC center and the conventional foundry at cost.

2. **DSPC Production Profit 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 profit center also provides DSPC part and tool making services to the Parts Now Profit 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 Profit Center (Production Parts):** Revenues result from the production and sale of production quantities of cast and machined metal parts to the Parts Now profit center (at cost) and from other industrial customers. The Company began

generating revenues for industrial customers, many of whom were customers of A-RPM, whose assets where purchased as the basis for establishing Altop, its aluminum foundry and machine shop, in July 1994. This profit center is undergoing a transition from providing non-DSPC related, conventional casting services for industrial customers only to providing conventional casting of aluminum parts, utilizing DSPC made tooling, CNC machining finishing and inspection services to the Parts Now Profit Center.

4. **DSPC Technology Profit Center:** Revenues are generated by two peripheral activities:

- **Machine Revenues** result from the distribution and maintenance of DSPC machines. Part of the Company's strategy is to enable companies in certain applications to operate DSPC machines in-house. Initially, this involved the sale of machines to be used in a specific application (such as the sale of a DSPC machine to Johnson & Johnson Orthopedics for the sole purpose of producing orthopedic implants), subsequently evolving into the generation of revenues through licensing, maintenance and upgrades.

- **Engineering Contracts Revenues** involve participation in research projects wherein Soligen provides technological expertise. Revenues in this product line were initiated in the quarter ended December 31, 1994 as a part of the Company's participation in several industrial consortia that included MIT and certain companies seeking to further develop applications in advanced manufacturing.

Results of Operations

Revenues for the three months ended September 30, 1996 and three and nine months ended December 31, 1996 and 1995 were as follows:

	Three Months Ended September 30,	Three Months Ended December 31,		Nine Months Ended December 31,	
	1996	1996	1995	1996	1995
Parts Now	$ 379,000	$ 690,000	$ --	$ 1,157,000	$ --
DSPC production	62,000	282,000	229,000	472,000	611,000
Production parts	309,000	235,000	391,000	835,000	1,043,000
DSPC technology	--	127,000	133,000	163,000	408,000
Total revenues	$ 750,000	$ 1,334,000	$ 753,000	$ 2,627,000	$ 2,062,000

For the quarter ended December 31, 1996, revenues increased $581,000, or 77%, to $1,334,000 from $753,000 for the similar period last year. During the comparable period a year ago, combined revenues for Parts Now and DSPC increased $743,000, or 324%, reflecting continued customer acceptance of the Company's core business in the market place. Revenues for the third quarter of fiscal 1997 grew to $1,334,000 from $750,000 in the second quarter ended September 30, 1996, an increase of $584,000, or 78%. The Parts Now and DSPC revenues grew to $972,000 in the third quarter of fiscal 1997 from $441,000 in the second quarter of fiscal 1997, an increase of $531,000, or 120%. Similarly, for the nine months ended December 31, 1996, Parts Now and DSPC revenues increased by 167%, to $1,629,000 from $611,000.

In the transition from stage 1 to stage 2 of the Company's Parts Now strategy, the trend continues of de-emphasizing either low or marginal profit margins, a business segment unrelated to Parts Now profit objectives. As a result, Altop's revenues from conventional casting contracts decreased $156,000 to $235,000, or 40% in the quarter ended December 31, 1996, and decreased $208,000 to $835,000, or 20% for the nine months ended December 31, 1996.

For the three months ended December 31, 1996, DSPC technology revenues decreased from $133,000 to $127,000 or 5% and for the nine months ended December 31, 1996, revenues deceased from $408,000 to $163,000, or 60%. This decrease resulted from expiration of R&D contracts with government agencies as well as license and maintenance agreements for DSPC experimental machines. The DSPC technology product line comprised of development contracts and selling operating licenses for DSPC machines will continue; however, since it is not a part of the Company's strategic business, the Company is not actively pursuing such contracts.

Cost of revenues as a percentage of total revenues in the third quarter of fiscal 1997 was 49% compared to 67% in the third quarter of fiscal 1996 and 66% in the prior quarter. For the nine months ended December 31, 1996 and 1995, cost of revenues as a percentage of total revenues was 62% and 67%, respectively The decrease in cost of revenues as a percentage of total revenues was due to a reduction in per unit costs associated with increased production.

Research & development expenses were $260,000 in the third quarter of fiscal 1997, compared to $232,000 in the third quarter of fiscal 1996, an increase of $28,000. For the nine months ended December 31, 1996, research and development expenses were $803,000 compared to $719,000 recorded in the nine months ended December 31, 1995, an increase of $84,000. These increases were the result of the Company's continued effort to invest in research and development of the DSPC technology and its applications as a key to its future growth and prosperity. As a percentage of total revenues, research and development costs decreased to 19% in the third quarter of fiscal 1997 from 31% in the third quarter of fiscal 1996. For the nine months ended December 31, 1996, research and development costs as a percentage of total revenues deceased to 31% from 35% in the comparable period a year ago. These decreases were the result of the Company's revenues growing faster than research and development expenses .

Selling expenses were $171,000 in the third quarter of fiscal 1997, compared to $153,000 in the third quarter of fiscal 1996 and $171,000 in the prior quarter. For the nine months ended December 31, 1996, selling expenses were $521,000, compared to $338,000 in the comparable period a year ago. The increase in selling expenses is due primarily to the establishment of a sales team and the Company's efforts to penetrate new markets for the underlying technology.

General and administrative expenses increased $53,000 to $264,000 for the quarter ended December 31, 1996 from $211,000 for the quarter ended December 31, 1995. For the nine months ended December 31, 1996 and 1995, general and administrative expenses increased to $760,000 from $701,000. The increase in general and administrative expenses is the result of additional administrative personnel to support the growth in revenues.

Interest expense increased to $15,000 in the third quarter of fiscal 1997 from $2,000 in the third quarter of fiscal 1996. This increase was caused primarily by interest expense on the convertible debentures issued September 13, 1996. For the nine months ended December 31, 1996, interest expense increased to $282,000 from $36,000 in the comparable period a year ago. This increase was caused by the $250,000 non-cash additional interest expense and $11,000 cash interest expense associated with the $750,000 convertible debenture financing completed in the second quarter of fiscal 1997.

Cash and Sources of Liquidity

The Company requires significant funds to continue operations. As of December 31, 1996, the Company had $1,410,000 in cash and accounts receivable, representing an increase of $241,000 from $1,169,000 at September 30, 1996. This overall increase in cash and accounts receivable resulted primarily from operations. From inception, the Company has funded its operations through the private sale of common stock and convertible debentures. On September 13, 1996, the Company completed a private placement of $750,000, 6% convertible debentures due on or before August 31, 1999. The Company received proceeds of $666,000, net of finders and legal fees. During the third quarter ended December 31, 1996, $350,000 of convertible debentures were converted to common stock.

Based upon projected level of revenues, the Company does not expect current cash to be adequate beyond June 30, 1997*. Therefore, until the Company operates profitably, as to which no assurance can be given, it will be necessary for the Company to obtain outside funding to fund operations. The Company does not have any bank financing, and it does not believe that financing from a bank or other commercial lender is presently available to it. The Company is pursuing other sources of outside funds. However, no assurance can be given that the Company will be able to obtain the necessary funds when such funds are required, and the failure to obtain necessary funding may have a materially adverse effect upon its business and operations. Furthermore, if the Company is able to raise such funds, the terms on which funds may be made available to the Company may result in substantial dilution or may be otherwise on terms not favorable to the Company.

PART II: OTHER INFORMATION

Item 1: Legal Proceedings

A-RPM Lawsuit and Counterclaim

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. Altop also entered into an Employment Agreement with Leland K. Lowry.

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. In addition, the Company and Altop are requesting declaratory relief confirming that the Company and Altop have no further obligation to A-RPM and the Lowrys under the Asset Purchase Agreement, the promissory notes and related transactions. The complaint also seeks an award of attorneys' fees and costs.

A-RPM and the Lowrys have filed an answer to the complaint generally denying the allegations of the complaint. In addition, they have filed a cross-complaint stating actions against the Company and Altop for recovery of the entire principal amount and accrued interest on the three promissory notes delivered in connection with the Asset Purchase Agreement. The cross-complaint also seeks foreclosure on the assets of Altop securing the promissory notes, recovery of $85,000 alleged to be due and payable pursuant to the contingent payment provisions of the Asset Purchase Agreement, and attorneys' fees and costs.

The Company and Altop intend to vigorously defend against the allegations of the cross-complaint and to vigorously pursue recovery against A-RPM and the Lowrys. A trial date has been set for March 3, 1997. Pending resolution of this dispute, the Company has provided for a $305,000 liability in its consolidated financial statements.

Item 6: Exhibits and Reports on Form 8-K

(a) Exhibits

11.1 Computation of Net Loss Per Share

(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 by the undersigned thereunto duly authorized.

SOLIGEN TECHNOLOGIES, INC.

Date: February 7, 1997

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

Date: February 7, 1997

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,	
	1996	**1995**	**1996**	**1995**
Weighted average common shares outstanding	30,080,540	28,913,330	29,852,400	25,648,874
Net loss	$ (29,000)	$ (332,000)	$ (1,241,000)	$ (1,088,000)
Net loss per share	$ (0.00)	$ (0.01)	$ (0.04)	$ (0.04)