

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES
ACT OF 1934

For the quarterly period ended MAY 31, 2004

Commission File Number 0-12305

REPRO-MED SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

NEW YORK 13-3044880

(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

24 CARPENTER ROAD, CHESTER, NY 10918

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (845) 469-2042

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 during the
past 12 months (or for such shorter period that the registrant was required to
file such reports), and (2) has been subject to such filing requirements for the
past 90 days.

Yes () No ()

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the latest practicable date.

Class	Outstanding at May 31, 2004
-----	-----
Common stock, \$.01 par value	24,931,000 shares

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 REPRO-MED SYSTEMS, INC.
 BALANCE SHEET
 UNAUDITED

	MAY 31, 2004	FEBRUARY 29, 2004
	-----	-----
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 221,716	\$ 219,682
Accounts Receivable, net	208,310	130,334
Inventory	350,234	378,982
Prepaid Expenses	31,052	25,775
	-----	-----
TOTAL CURRENT ASSETS	811,312	754,773
	-----	-----
EQUIPMENT & OTHER ASSETS		
Total Equipment	1,226,741	1,216,152
Less - Accumulated Depreciation	(877,306)	(858,417)
	-----	-----
Net Book Value of Equipment	349,435	357,735
Deposits	27,652	27,652
Other Assets	46,372	48,027
	-----	-----
TOTAL EQUIPMENT & OTHER ASSETS	423,459	433,414
	-----	-----
TOTAL ASSETS	\$ 1,234,771	\$ 1,188,187
	=====	=====
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 269,431	\$ 325,723
Note Payable to Related Parties	7,000	7,000
Accrued Expenses	92,571	99,205
Note Payable to Bank	198,581	198,581
Current Portion Capital Lease Obligations	17,228	19,079
	-----	-----
TOTAL CURRENT LIABILITIES	584,811	649,588
	-----	-----
OTHER LIABILITIES		
Long-Term Portion Capital Lease Obligations ..	20,785	24,846
Deferred Capital Gain Income	331,596	337,215
Long-Term Debt - Notes Payable	450,000	350,000
	-----	-----
TOTAL LIABILITIES	1,387,192	1,361,649
	-----	-----
STOCKHOLDERS' EQUITY		
Preferred Stock, 8% Cumulative \$.01 Par Value Authorized 2,000,000 Shares, Issued & Outstanding 10,000 Shares (liquidation value \$100,000)	100	100
Common Stock, \$.01 Par Value, Authorized 50,000,000 Shares, 24,931,000 shares and		

24,531,000 shares issued and outstanding at May 31, 2004 and February 29, 2004, respectively	249,310	245,310	
Additional Paid-in Capital	2,268,711	2,252,711	
Accumulated Deficit	(2,528,542)	(2,529,583)	
Treasury Stock at Cost	(142,000)	(142,000)	
	-----	-----	
TOTAL STOCKHOLDERS' EQUITY	(152,421)	(173,462)	
	-----	-----	
 TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	 \$ 1,234,771	 \$ 1,188,187	
	=====	=====	

See Accompanying Notes to Financial Statements

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REPRO-MED SYSTEMS, INC.
STATEMENTS OF OPERATIONS
UNAUDITED

FOR THE 3 MONTHS ENDED
MAY 31, 2004 MAY 31, 2003

SALES

Net Sales \$ 507,475 \$ 429,501

COST AND EXPENSES

Cost of Goods Sold	219,800	198,645	
Selling, General & Administrative Expenses ...	224,207	221,939	
Research and Development	10,443	8,680	
Stock-Based Compensation	20,000	-	
Depreciation and Amortization	20,544	19,734	
	-----	-----	
TOTAL COST AND EXPENSES	494,994	448,998	
	-----	-----	

PROFIT (LOSS) FROM OPERATIONS 12,481 (19,497)

Non-Operating Income (Expense)

Interest (Expense)	(11,842)	(8,797)	
Interest & Other Income	402	237	
	-----	-----	
	(11,440)	(8,560)	
	-----	-----	

INCOME (LOSS) BEFORE INCOME TAXES 1,041 (28,057)

Provision for Income Taxes - (831)

INCOME (LOSS) AFTER TAXES \$ 1,041 \$ (28,888)

INCOME (LOSS) PER COMMON SHARE

Basic	\$ 0.01	\$ (0.01)	
Diluted	\$ 0.01	\$ (0.01)	
 Average Common Shares Outstanding	 24,767,888	 23,504,000	

See Accompanying Notes to Financial Statements

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REPRO-MED SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
UNAUDITED
FOR THE THREE MONTHS ENDED

	MAY 31, 2004	MAY 31, 2003	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	\$ 1,041	\$(28,888)	
Adjustments to reconcile net (loss) to cash used in operating activities:			
Stock-Based Compensation	20,000	-	
Depreciation and Amortization	20,544	19,734	
Capital Gain - building lease	(5,619)	(5,620)	
Increase in Accounts Receivable	(77,976)	(6,567)	
Decrease in Inventories	28,748	20,782	
Increase in Prepaid Expenses	(5,277)	(8,224)	
Decrease in Accounts Payable	(56,292)	(10,033)	
Decrease (Increase) in Accrued Expenses	(6,634)	6,863	
NET CASH USED IN OPERATIONS	(81,465)	(11,953)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in Security Deposit	-	23,500	
Capital Expenditures	(10,589)	(2,468)	
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(10,589)	21,032	
CASH FLOW PROVIDED BY FINANCING ACTIVITIES			
Notes Payable - President and Others	100,000	-	
Increase in Notes Payable to Related Parties	-	36,000	
Payments, Increased Obligations on Capitalized Leases	(5,912)	(9,012)	
NET CASH PROVIDED BY FINANCING ACTIVITIES	94,088	26,988	
NET INCREASE IN CASH	2,034	36,067	
Cash and Cash Equivalents -- Beginning of Period ..	219,682	16,738	
Cash and Cash Equivalents -- End of Period	<u>\$ 221,716</u>	<u>\$ 52,805</u>	
Supplemental disclosures of Cash Flow Information:			
Interest	\$ 11,842	\$ 8,797	
Income Taxes	-	831	

See Accompanying Notes to Financial Statements

REPRO-MED SYSTEMS, INC.
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial statements and with instructions to Form 10-QSB. Accordingly, they do not include all of the information and disclosures required for annual financial statements. These financial statements should be read in conjunction with the consolidated financial statements and related footnotes for the year ended February 29, 2004 included in the Form 10-KSB for the year then ended.

In the opinion of the Company's management, all adjustments (consisting of normal recurring accruals) necessary to present fairly the Company's financial position as of May 31, 2004, and the results of operations and cash flows for the three-month periods ended May 31, 2004 and 2003 have been included.

The results of operations for the three-month period ended May 31, 2004, are not necessarily indicative of the results to be expected for the full year. For further information, refer to the financial statements and footnotes thereto included in the Company's Form 10-KSB as filed with the Securities and Exchange Commission for the year ended February 29, 2004.

STOCK HOLDERS' EQUITY/NOTES PAYABLE

During the quarter ended May 31, 2004, the company executed note agreements for \$100,000. In connection with the execution of those agreements, the Company is obligated to issue four shares of its common stock each year for each dollar of principal borrowed. As of May 31, 2004, the Company is obligated to issue 400,000 shares of its common stock under the agreements. These shares have not been issued as of May 31, 2004, but have been reflected as issued for financial statement purposes.

PART I

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-QSB contains certain "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to us that are based on the beliefs of the management, as well as assumptions made by and information currently available. Our actual results may vary materially from the forward-looking statements made in this report due to important factors such as, recent operating losses, uncertainties associated with future operating results, unpredictability related to Food and Drug Administration regulations, introduction of competitive products, limited liquidity, reimbursement related risks, government regulation of the home health care industry, success of the research and development effort, market acceptance of FREEDOM60, availability of sufficient capital to continue operations and dependence on key personnel. When used in this report, the words "estimate," "project," "believe," "anticipate," "intend," "expect" and

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similar expressions are intended to identify forward-looking statements. Such statements reflect current views with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. These statements involve risks and uncertainties with respect to the ability to raise capital to develop and market new products, acceptance in the market place of new and existing products, ability to penetrate new markets, our success in enforcing and obtaining patents, obtaining required Government approvals and attracting and maintaining key personnel that could cause the actual results to differ materially. Repro-Med does not undertake any obligation to release publicly any revision to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

THREE MONTHS ENDED MAY 31, 2004 AND 2003

Sales for the first quarter increased 18.2% to \$507,475 compared to \$429,501 in 2003. Sales in our core product lines increased 26.8% quarter over quarter ended May 31, 2004, with FREEDOM60 sales increasing by 37.7% and RES-Q-VAC sales increasing by 24.3%. Sales of non-core products and OEM manufacturing revenues decreased \$21,832 (34.3%). Approximately two-thirds of the increased revenues came from international markets.

Gross profit increased to 56.7% of net sales in 2004 from 53.8% in 2003 due, in part, to efficiencies realized at the higher sales volume.

Selling, general and administrative expense increased 1% (\$2,268) to \$224,207 in 2004 from \$221,939 in 2003.

Research and development expenses increased \$1,763 from 2003 to 2004.

Depreciation and amortization expense increased slightly (\$810) period over period as the result of equipment purchases during the past year.

Interest expense increased 34.6% as a result of an increase in loans obtained through the company's promissory note program.

As a result of the higher sales volume and continued efforts to improve

efficiencies, the Profit from Operations improved by \$31,978 from a loss of \$19,497 in the quarter ended May 31, 2003 to a positive profit of \$12,481, including \$20,000 in non-cash expenses related to issuance of stock in 2004 under our promissory note and stock offering program. Net profit improved from a loss of \$28,888 in 2003 to a positive profit of \$1,041 in 2004, with the 2004 results again including non-cash expenditures of \$20,000 in stock-based compensation.

LIQUIDITY AND CAPITAL RESOURCES

During June 2000, we negotiated a \$200,000 line of credit with M&T Bank that is guaranteed by the President and one of the directors. As of May 31, 2004, \$198,581 has been advanced on the line of credit. In accordance with the agreement, the line of credit was to be renewed or paid off by June 30, 2001. We have received a verbal continuance from the bank through June 30, 2003. We have not received a demand for repayment of the loan and continue to make interest payments.

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Commencing in mid-February, 2004, we started raising capital from a promissory note and stock offering which raised \$225,000 by the end of the fiscal year ended February 29, 2004. This five year promissory note pays 2% over prime plus four share of common stock per year for every year the loan is in place. We received an additional \$100,000 under the same program in the first quarter of fiscal year 2005. Another \$25,000 was raised in the first quarter of 2003 under similar terms.

We continue to work towards improving cash flow and have several opportunities to improve sales of our key products, RES-Q-VAC and FREEDOM60. We have expanded our sales efforts in several areas.

Effective March, 2004, we engaged the services of a retired United States Air Force Colonel to guide our RES-Q-VAC military sales efforts. In May, we hired an experienced Vice President of Sales, based in Florida, to handle sales in the southeastern United States and manage key accounts elsewhere in the country. In June, we engaged a marketing consultant with extensive infusion sales experience to assist in developing additional markets for the FREEDOM60.

In May, 2004, we signed a distribution agreement with Omni Biomed LLC, based in Knoxville, Tennessee. Omni Biomed provides distribution and training services to hospitals, physicians, clinics and others in the home and long-term care markets. The agreement covers both the FREEDOM60 and RES-Q-VAC for the southeastern United States including Tennessee, Kentucky, Alabama, Arkansas, North Carolina, South Carolina, Mississippi, Louisiana, West Virginia, Virginia, Georgia, and Florida.

Our distributor in Europe, Gama Sanitos, is actively engaged in establishing the Freedom60 as the device of choice for the treatment of post operative pain control throughout Europe. We continue to explore the potential of this application in the domestic market. Gama Sanitos is also jointly developing several new products with us which will enhance the marketability of the FREEDOM60. Currently we are looking at developing an elastomeric pump which can be used for antibiotics, pain, and KVO (Keep Vein Open) therapy. We believe that for certain applications requiring more fluid volume than 60ml, and for KVO therapy combined with the FREEDOM60, an elastomeric pump will make our infusion products line more diverse and improve sales.

We continue to pursue capital investment through debt or equity to increase our marketing and sales, and to enhance our existing products as well as new line additions.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is neither a party to any material litigation, nor to the knowledge of the officers and directors of the Company, is there any other material litigation threatened against the Company.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

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

No matters were submitted to a vote of security holders of the Company during the quarter ended May 31, 2004.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Form 8-K, Item 9, Regulation FD Disclosure, incorporated by reference dated May 12, 2004.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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.

REPRO-MED SYSTEMS, INC.

/s/ Andrew I. Sealfon

July 20, 2004

Andrew I. Sealfon, President, Treasurer,
Chairman of the Board, Director, and
Chief Executive Officer

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew I. Sealfon, certify that:

1. I have reviewed this Form 10-QSB of Repro-Med Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: July 20, 2004

/s/ Andrew I. Sealfon
Chief Executive Officer and Principal Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-QSB of Repro-Med Systems, Inc. (the "Company") on Form 10-QSB for the period ending May 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew I. Sealfon, Chief Executive Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Andrew I. Sealfon
Andrew I. Sealfon
Chief Executive Officer and
Principal Financial Officer

July 20, 2004