

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

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

For the quarterly period ended AUGUST 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 (X) 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 August 31, 2004
-----	-----
Common stock, \$.01 par value	24,931,000 shares

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REPRO-MED SYSTEMS, INC.
BALANCE SHEET

	AUGUST 31, 2004	FEBRUARY 29, 2004	
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 133,324	\$ 219,682	
Accounts Receivable, net	156,406	130,334	
Inventory	380,932	378,982	
Prepaid Expenses	50,497	25,775	
TOTAL CURRENT ASSETS	721,159	754,773	
EQUIPMENT & OTHER ASSETS			
Total Equipment	1,231,237	1,216,152	
Less - Accumulated Depreciation	(896,363)	(858,417)	
Net Book Value of Equipment	334,874	357,735	
Deposits	27,652	27,652	
Other Assets	44,718	48,027	
TOTAL EQUIPMENT & OTHER ASSETS	407,244	433,414	
TOTAL ASSETS	\$ 1,128,403	\$ 1,188,187	
LIABILITIES & STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts Payable	\$ 270,002	\$ 325,723	
Notes Payable to Related Parties	7,000	7,000	
Accrued Expenses	102,285	99,205	
Note Payable to Bank	198,581	198,581	
Current Portion Capital Lease Obligations	15,381	19,079	
TOTAL CURRENT LIABILITIES	593,249	649,588	
OTHER LIABILITIES			
Long-Term Portion of Leases Payable	17,860	24,846	
Deferred Capital Gain Income	325,976	337,215	
Long-Term Debt - Notes Payable	450,000	350,000	
TOTAL LIABILITIES	1,387,085	1,361,649	
STOCKHOLDERS' DEFICIENCY			
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 August 31, 2004 and February 29, 2004, respectively	249,310	245,310	
Additional Paid-in Capital	2,258,711	2,252,711	

Accumulated Deficit	(2,624,803)	(2,529,583)
Treasury Stock at Cost	(142,000)	(142,000)
	-----	-----
TOTAL STOCKHOLDERS' DEFICIENCY	(258,682)	(173,462)
	-----	-----
TOTAL LIABILITIES & STOCKHOLDERS' DEFICIENCY	\$ 1,128,403	\$ 1,188,187
	=====	=====

See Accompanying Notes to Financial Statements

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REPRO-MED SYSTEMS, INC.
STATEMENTS OF OPERATIONS
UNAUDITED

<CAPTION>

FOR THE 3 MONTHS ENDED FOR THE 6 MONTHS ENDED
AUG 31, 2004 AUG 31, 2003 AUG 31, 2004 AUG 31, 2003

SALES

<S>	<C>	<C>	<C>	<C>	<C>
Net Sales of Products	\$ 366,475	\$ 379,694	\$ 873,950	\$ 809,195	

COST AND EXPENSES

Cost of Goods Sold	173,859	181,427	393,659	380,072	
Selling, General & Administrative Expenses	245,029	230,503	469,236	452,442	
Research and Development	11,229	11,757	21,672	20,437	
Stock-Based Compensation	--	--	20,000	--	
Depreciation and Amortization ...	20,711	20,077	41,255	39,811	
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TOTAL COST AND EXPENSES	450,828	443,764	945,822	892,762	
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(LOSS) FROM OPERATIONS (84,353) (64,070) (71,872) (83,567)

Non-Operating Income (Expense)

Interest (Expense)	(14,168)	(7,581)	(26,010)	(16,378)
Interest & Other Income	7,260	158	7,662	395
	-----	-----	-----	-----
	(6,908)	(7,423)	(18,348)	(15,983)
	-----	-----	-----	-----

(LOSS) BEFORE INCOME TAXES (91,261) (71,493) (90,220) (99,550)

Provision for Income Taxes (1,000) 0 (1,000) (831)

NET (LOSS) AFTER TAXES \$ (92,261) \$ (71,493) \$ (91,220) \$ (100,381)

(LOSS) PER COMMON SHARE

Primary	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Fully Diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

Average Common Shares

Outstanding	24,931,000	23,504,000	24,849,696	23,504,000
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See Accompanying Notes to Financial Statements

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

AUGUST 31, AUGUST 31,
2004 2003

CASH FLOWS FROM OPERATING ACTIVITIES

Net (Loss)	(\$ 91,220)	(\$100,381)
Adjustments to reconcile net (loss) to cash (used) in operating activities:		
Stock-Based Compensation	20,000	--
Legal Expenses Charged to Additional Paid-In Capital	(10,000)	--
Depreciation and Amortization	41,255	39,811
Capital Gain - Building Lease	(11,239)	(11,240)
(Increase) in Accounts Receivable	(26,072)	(14,063)
(Increase) in Inventory	(1,950)	(7,961)
Increase in Prepaid Expenses	(24,722)	(5,203)
(Decrease) Increase in Accounts Payable	(55,721)	49,876
Increase in Accrued Expenses	3,080	36,401
NET CASH (USED IN) OPERATIONS	(156,589)	(12,760)

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease in Security Deposit	--	23,500
Capital Expenditures	(15,085)	(10,220)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES ..	(15,085)	13,280

CASH FLOWS FROM FINANCING ACTIVITIES

Notes Payable - President and Others	100,000	--
Increase in Notes Payable to Related Parties	--	41,000
Preferred Stock Dividend	(4,000)	(4,000)
Payments, Increased Obligations on Capitalized Leases	(10,684)	(15,635)
NET CASH PROVIDED BY FINANCING ACTIVITIES	85,316	21,365
NET INCREASE (DECREASE) IN CASH	(86,358)	21,885

Cash and Cash Equivalents, beginning of period	219,682	16,738
Cash and Cash Equivalents, end of period	\$ 133,324	\$ 38,623

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Interest	26,010	16,378
Income Taxes	1,000	831

See Accompanying Notes to Financial Statements

REPRO-MED SYSTEMS, INC.
NOTES TO THE 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 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 August 31, 2004, and the results of operations and cash flows for the three-month and six-month periods ended August 31, 2004 and 2003 have been

included.

The results of operations for the six-month period ended August 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.

STOCKHOLDERS' 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. The Company is obligated to issue 400,000 shares of its common stock under the agreements. As of August 31, 2004, 185,000 of these shares have been issued and the remaining 215,000 shares have been reflected as issued for financial statement purposes.

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 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

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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 AUGUST 31, 2004 VS. 2003

Sales in the core RES-Q-VAC and Freedom60 lines increased 9.5% quarter over quarter ended August 31, 2004. Sales of RES-Q-VAC increased 12% quarter over quarter, while sales in the Freedom60 line increased 1.2% quarter over quarter. However, these increases in core product sales were offset by a 53% (\$42,800) decline in sales in the non-core Gyneco, Restore and OEM lines. Overall, as a result of the decline in the non-core product lines, net sales decreased 3.5% to \$366,475 (2004) from \$379,694 (2003) for the quarter.

Gross profit margins increased very slightly to 52.6% of net sales in 2004 from 52.2% in 2003. Selling, general and administrative expense increased by \$14,526 in 2004 from \$230,503 in 2003 primarily as the result of an increase in sales and marketing expenditures.

Research and development expenses declined \$528 from 2003 to 2004.

Depreciation and amortization expenses increased \$634 during this period. This reflected additional capital equipment purchases during the previous 12 months. The additional depreciation for new capital equipment was partially offset by

depreciation expense reductions as some older assets reached the end of their depreciable lives.

Interest expense increased by \$6,587, quarter over quarter, primarily as a result of an increase in loans obtained through the company's promissory note program.

Other income increased \$7,102, quarter over quarter, largely as the result of a refund of insurance premiums paid in a prior fiscal year and the reduction of an unpaid expense incurred in a prior fiscal year.

As a result of the decreased revenue and increased expenses, net income decreased \$20,768 from a loss of \$71,493 to a loss of \$92,261, quarter over quarter.

SIX MONTHS ENDED AUGUST 31, 2004 VS. 2003

Net sales increased 8.0%, or \$64,755, to \$873,950 for the six-months ended August 31, 2004 from \$809,195 for the six-months ended August 31, 2003. Sales of the RES-Q-VAC product line increased 18.9% for the six-months ended August 31, 2004 vs. the six-months ended August 31, 2003. Sales of the other core product line, Freedom60, increased 19.3% for the same periods. These increases were partially offset by a \$64,520 (45.6%) decline in the non-core Gyneco, Restore and OEM product lines during the six-month period.

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Gross profit increased to 55% of net sales in 2004 from 53% in 2003 due, in part, to efficiencies realized at the higher sales volume.

Selling, general and administrative expense increased 3.7% (\$16,794) to \$469,236 in 2004 from \$452,442 in 2003.

Research and development expenses increased \$1,235 from 2003 to 2004.

Depreciation and amortization expense increased by \$1,444 period over period as the result of equipment purchases during the past year.

Interest expense increased 58.8% (\$9,632) as a result of an increase in loans obtained through the company's promissory note program.

Other income increased \$7,267, quarter over quarter, largely as the result of a refund of insurance premiums paid in a prior fiscal year and the reduction of an unpaid expense incurred in a prior fiscal year.

Net loss for the six months ended August 31, 2004, was reduced by 9.1% to a loss of \$91,220 from a loss of \$100,381 in 2003.

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 August 31, 2004, \$198,581 has been advanced on the line of credit. Although the line expired on June 30, 2002, the bank verbally extended the line through June 30, 2003. We are requesting the bank to extend the line for another six months. We have not received a demand for repayment of the loan and continue to make interest payments.

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. We have met with the Surgeon General of the US Army and followed up with Army medical staff based

at Fort Sam Houston in San Antonio, Texas. 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. Finally, in August, 2004, we engaged the services of a sales representative with a background in nursing to market our products in the southeastern United States and provide sales assistance in other key areas.

We have also accelerated marketing efforts at the corporate level with magazine advertising and targeted direct mail campaign. We have begun marketing the Res-Q-Vac to nursing homes, sub-acute care, and alternate site for use during power outages such as recently occurred in Florida during the hurricane season as well as routine suctioning. For the Freedom60, we recently began mailing to home care providers who are members of the National Home Infusion Association. Due to the

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cost benefit, safety, and performance of the Freedom60, we anticipate increasing interest for this technology in this market.

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. This agreement provides exclusivity for certain territories based on the performance of their sales.

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. We continue to look 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 broaden our infusion products line offerings and improve sales.

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

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 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 August 31, 2004.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

31.1 Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

None

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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 October 15, 2004

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

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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 the Form 10-QSB of Repro-Med Systems, Inc. (the "Report");

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: October 15, 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 Quarterly Report of Repro-Med Systems, Inc. (the "Company") on Form 10-QSB for the period ending August 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

October 15, 2004