SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM l0-QSB

QUARTERLY REPORT
Pursuant to sections 13 or 15(d) of The Securities Exchange Act of 1934

FOR THE QUARTER ENDED MAY 31, 1997

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 incorporation or organization)	(IRS Employer identification No.)
24 Carpenter Road, Chester, New York	10918
(Address of principle executive offices)	(Zip Code)

(914) 469-2042

(Registrant's telephone number, including area code)

17 Industrial Place, Middletown, NY, 10940 .

(Former name, former address and former fiscal year, if changed since last report)

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

At May 31, 1997 the registrant had outstanding 22,142,000 shares of Common Stock, $.01 par value.

PART I

Item 1. Financial Statements

Balance Sheets - May 31, 1997, May 31, 1996 and February 28, 1997.
Statements of Income - For the three month period ended May 31, 1997 and May 31, 1996.
Statements of Cash Flow - May 31, 1997 and May 31, 1996.

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

PART II

Item 1. Legal Proceedings
None

Item 2. Changes In Securities
None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders
None

Item 5. Other Information
None

Item 6. Exhibits and Reports on Form 8-K
None

PART I, Item 1 - Financial Statements

Repro-Med Systems, Inc And Subsidiary
Consolidated Balance Sheets

<TABLE>
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	May 31, 1997	May 31, 1996	Feb 28,1997
<S>	<C>	<C>	<C>
Assets			
Current Assets			
Cash and Cash Equivalents	$ 705,976	$ 972,804	$ 734,076
Accounts Receivable	206,895	303,340	146,506
Inventory	632,259	620,356	523,967
Prepaid Expenses & Other Receivables	54,883	89,881	78,126
Deferred Taxes - Current	156,000	156,000	156,000
Total Current Assets	1,756,013	2,142,381	1,638,675
Land, Property, Equipment And Other Assets			
Land	290,303	409,500	290,303
Property and Equipment, Net	1,373,248	906,228	1,324,856
Deferred Taxes - Non-current	71,186	62,535	23,659
Other Assets, Net	73,847	71,093	73,190
Total Property, Equipment And Other Assets	1,808,584	1,449,356	1,712,008
Total Assets	$ 3,564,597	$ 3,591,737	$ 3,350,683
Liabilities And Stockholders' Equity			
Current Liabilities			
Accounts Payable	$ 53,838	$ 157,039	$ 119,156
Mortgage Payable - Current Portion	18,403	14,420	18,403
Bank Line of Credit Payable	260,000	0	0
Other Current Liabilities	125,966	126,454	56,816
Total Current Liabilities	458,207	297,913	194,375
Mortgage Payable - Long Term Portion	865,520	885,580	870,163
Total Liabilities	1,323,727	1,183,493	1,064,538
Minority Interest In Subsidiary	120,966	139,754	118,824
Stockholder's Equity			
Preferred Stock, 8% Cumulative $.01 Par Value, 2,000,000 shares authorized, 10,000 issued and outstanding	100	100	100
Common Stock, $.01 Par Value, 50,000,000 shares authorized, 22,142,000, issued and outstanding	221,420	221,420	221,420
Warrants Outstanding	140	140	140
Additional Paid-In Capital	3,040,662	3,040,662	3,040,662
Accumulated (Deficit)	(1,000,418)	(971,832)	(953,001)
Treasury Stock at Cost (2,275,000, 275,000 and 2,275,000 shares at respective dates),	(142,000)	(22,000)	(142,000)

Total Stockholder's Equity	2,119,904	2,268,490	2,167,321
Total Liabilities And Stockholders' Equity	$ 3,564,597	$ 3,591,737	$ 3,350,683

</TABLE>

Repro-Med Systems, Inc And Subsidiary
Consolidated Statements Of Income
For The Three Months Ended

<TABLE>
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	May 31, 1997	May 31, 1996
<S>	<C>	<C>
Sales	$ 332,468	$ 718,702
Costs And Expenses:		
Cost of Goods Sold	115,852	318,697
Selling, General & Administrative Expenses	293,116	243,337
Research and Development	40,736	56,180
Depreciation and Amortization	32,853	18,648
	482,557	636,862
Net Income (Loss) From Operations	(150,089)	81,840
Non-Operating Income (Expense):		
Licensing Income	50,000	87,800
Rental Income	21,525	7,414
Interest (Expense)	(22,790)	(6,725)
Interest & Other Income	8,552	11,582
	57,287	100,071
Income (Loss) Before Minority Interest Share of Operations	(92,802)	181,911
Minority Interest In (Income) Loss of Subsidiary	(2,142)	(24,193)
Net Income (Loss) Before Income Taxes	(94,944)	157,718
(Provision) Benefit For Income Taxes	47,527	(45,046)
Net Income (Loss)	$ (47,417)	$ 112,672
Net Income (Loss) Per Common Share	$ 0.00	$ 0.01

</TABLE>

Repro-Med Systems, Inc And Subsidiary
Statements Of Cash Flows
For The Three Months Ended

<TABLE>
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	May 31, 1997	May 31, 1996
<S>	<C>	<C>
Cash Flows From Operating Activities		

Net Income (Loss)	$ (47,417)	$ 112,672
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:		
Income (Loss) Of Minority Interests	2,142	24,193
Depreciation and Amortization	32,853	18,648
Decrease (Increase) In Accounts Receivable	(60,389)	(215,851)
Decrease (Increase) In Inventory	(108,292)	(77,491)
Decrease (Increase) In Prepaid Expenses & Other Receivables	23,243	(23,991)
Decrease (Increase) In Deferred Taxes	(47,527)	38,592
Increase (Decrease) In Accounts Payable	(65,318)	42,837
Increase (Decrease) In Other Current Liabilities	69,150	33,322
Net Cash Provided By Operating Activities	(201,555)	(47,069)
Cash Flows From Investing Activities		
(Acquisition) of Land, Property and Equipment	(78,462)	(1,013,919)
(Acquisition) of Other Assets	(3,440)	(165)
Net Cash (Used) by Investing Activities	(81,902)	(1,014,084)
Cash Flows From (Used By) Financing Activities		
Proceeds From Mortgage	0	900,000
Proceeds From Line Of Credit	260,000	0
Proceeds From Issuance of Common Stock	0	8,000
Repayment Of Mortgage	(4,643)	0
Net Cash Provided (Used) by Financing Activities	255,357	908,000
Increase (Decrease) In Cash and Cash Equivalents	(28,100)	(153,153)
Cash and Cash Equivalents - Beginning of Year	734,076	1,125,957
Cash and Cash Equivalents - End of Period	$ 705,976	$ 972,804
Supplementary Data - Interest Paid	$ 22,790	$ 6,725

</TABLE>

Repro-Med Systems, Inc And Subsidiary
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Reference is made to Notes to Financial Statements included in the Company's Annual Report),

(1) Management's Statement

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report on Form 10-KSB.

Capital Resources and Liquidity

Cash and equivalents on a consolidated basis were $705,976 at May 31, 1997, as compared to $972,804 at May 31, 1996, a decrease of $266,828. Cash and equivalents includes cash of the Company's subsidiary, Gamogen, Inc, of $1,932 at May 31, 1997, and $91,138 at May 31, 1996.

Net working capital on a consolidated basis at May 31, 1997 was $1,297,806, as compared to $1,844,468 at May 31, 1996. Net working capital included Gamogen, Inc net working capital of $138,996 at May 31, 1997, and $161,580 at May 31, 1996.

The Company's liquidity declined as reflected in the three month decrease in its net working capital of $146,494 versus the balance at February 29, 1997 of $1,444,300. The three month decrease in net working capital, reflected primarily by an increase in the Company's line of credit, results primarily from $81,902 in purchases for production tooling and equipment and patent expenditures for the Freedom60(TM) Syringe Infusion System (see description below) and the Company's net loss of $47,417. Versus the balance at May 31, 1996 the Company's net working capital decreased $546,662 primarily due to $440,940 in capital spending, since March 31, 1996, for improvements to the Company's new Chester facility (see description below) and production tooling and equipment primarily for the Freedom60 Syringe Infusion System.

The Company has developed a non-electric, portable I.V. delivery system, trade-named the Freedom60(TM) Syringe Infusion System ("Freedom60 System") which employs a unique pump, standard syringes, and proprietary disposable tubing resulting in a very low cost per infusion. The Company has secured the necessary FDA approvals on the Freedom60 System and completed product engineering, the purchase of production tooling and component parts inventory, and long-term supply agreements for the disposable administration set components. The Company initiated production of the Freedom60 System in April 1997. In May 1997 the Company initiated advertising in US infusion medical journals and promotion at various US and international trade expositions. The Company is exploring various options for marketing and distribution of the Freedom60 System but has not yet finalized its plans. The Company is presently in negotiations with a large organization of independent US medical equipment and supply dealers for the exclusive distribution rights for the Freedom60 System in certain US medical markets, which include hospitals, nursing homes, and home infusion service providers. Among other performance requirements, this agreement, as proposed, would require the following minimum purchases by the organization's dealers in order to maintain exclusive distribution rights:

1.) Upon execution of the agreement, the purchase of an aggregate of 2,000 infusion pumps and 100,000 units of the disposable syringe/tubing sets;

2.) The following minimum annual unit purchases of infusion pumps and disposable syringe/tubing sets.

	Year 1	Year 2	Year 3
Infusion Pumps	17,000	30,000	49,000
Syringe/tubing Sets	1,400,000	3,200,000	4,800,000

For the first year of the proposed agreement the dealer purchase price per unit on the Infusion Pumps and Disposable Syringe/tubing Sets are $31 per pump and $1.61 per set.

There can be no guarantee that the proposed distribution agreement will be entered into, or that the Company or the organization's dealers will be successful in establishing distribution of the Freedom60 Syringe I.V. Infusion System, or if distribution is established that the Company or the organization's dealers will be successful in marketing and selling of the device, or if the distribution agreement as contemplated is entered into, that minimum purchases to maintain exclusive distribution rights will be

maintained.

The Company is presently engaged in the development of a medical device for an OEM customer based on the Company's suction technology. The Company's agreement with its OEM customer requires scheduled advance payments for engineering and production tooling costs of approximately $90,000. As of May 30, 1997 the Company has received payment of $30,000 in payments for engineering expenses. Under the Company's agreement with its OEM customer the Company will manufacture and sell this medical suction device to its OEM customer. Under the terms of its agreement for the development and manufacture of the OEM medical suction device and dependent on timely device development by the Company and the successful marketing of the device by its OEM customer, the Company anticipates annual revenues of approximately $800,000 to $900,000 from the sale of this medical suction device. There can be no guarantee, however, concerning the timely development of the medical suction device and that, if timely developed, its OEM customer will be successful in marketing of the device. The OEM medical suction device under development may compete with the Company's other OEM products, but in management's opinion will not significantly reduce sales of other OEM products.

On July 10, 1993 the Company's 58% owned subsidiary, Gamogen, acquired the rights to an Oral Treatment for Male Impotence developed by Dr. Zorgniotti. On April 12, 1994 the Board of Directors of Gamogen approved and on April 14, 1994 Gamogen signed with Zonagen, a small US based biotechnology company, an agreement under which Zonagen acquired all rights of Gamogen to Gamogen's Oral Treatment for Male Impotence ("Impotence Agreement"). In exchange for the above rights Gamogen received from Zonagen $100,000 in cash and, subject to certain FDA approvals and Gamogen's agreement not to compete, future payments of $200,000 in restricted common stock of Zonagen, and royalties on Zonagen's future sales of the Oral Treatment as follows payable in cash to Gamogen. Future product royalties payable to Gamogen under the Impotence Agreement are equal to the following percentages of net sales of the Oral Treatment for Male Impotence:

Aggregate Net Sales:	% Royalty
First $100,000,000	6%
Second $100,000,000	5%
Third $100,000,000	4%
Excess Over $300,000,000	3%

Under certain terms of the Impotence Agreement the above royalty percentages may be reduced by two percentage points for sales in countries where patent protection is unavailable or deemed ineffective.

In the year ended February 1995 the Company recorded licensing income from the Impotence Agreement of $47,107 ($100,000 in payments made by Zonagen less related expenses of $52,893). In the year ended February 1996 no payments were received by Gamogen under the Impotence Agreement.

On May 28, 1996 a stock payment was received by Gamogen in the form of 19,512 restricted common stock shares of Zonagen in accordance with the terms of the Impotence Agreement. On June 10, 1996 Gamogen received an offer of $4.50 per share, a total of $87,800, on the 19,512 restricted shares from a small group of private investors. This price was approximately 50% of the then NASDAQ market price for Zonagen, Inc. common stock. On June 20, 1996 Gamogen sold the 19,512 restricted shares to the same group of private investors for $87,800.

On January 24, 1997 the Board of Directors Gamogen approved and signed with Zonagen a conditional amendment to the Impotence Agreement granting Zonagen the right ("Option") to amend the Impotence Agreement eliminating the following:

1) Gamogen's rights to royalties on Zonagen's future sales of the Oral Treatment;

2) Gamogen's rights to market the Oral Treatment in counties where Zonagen does not timely obtain regulatory approval for and commence marketing of the Oral Treatment.

The Option is conditioned on the payment to Gamogen of one of the following amounts ("Option Price") less any Maintenance Payments (see below) received by Gamogen pursuant to the conditional amendment:

(i) if the Option is exercised on or before January 24, 1998, $750,000;
(ii) if the Option is exercised after January 24, 1998 but on or before January 24, 1999, $1,000,000;
(iii) if the Option is exercised after January 24, 1999 but on or before July 24, 1999, $1,500,000;
(iv) if the Option is exercised after July 24, 1999 but before the expiration of the Option, $1,750, 000.

Under the conditional amendment Zonagen is granted the option for a period of three years ending January 24, 2000, however, Gamogen may terminate the Option prior to January 24, 2000 if Zonagen fails to make any of the following payments ("Maintenance Payments") in cash to Gamogen: $75,000 upon the execution of the conditional amendment and $75,000 on each July 24 and January 24 which occurs after the execution of the conditional amendment and before Zonagen's exercise of the Option, with the final payment due on July 24, 1999. On January 24, 1997 Gamogen received from Zonagen the initial Maintenance Payment of $75,000. As a result of the sale on June 20, 1996 of the 19,512 restricted Zonagen shares for $87,800 and receipt of the initial maintenance payment of $75,000 on January 24, 1997 the Company recorded licensing income of $162,800 for the year ended February 1997.

As of May 19, 1997 Zonagen had not received approval by the US FDA or approvals in other countries for the marketing of Vasomax (the Oral Treatment). There can be no guarantee concerning the Oral Treatment that approvals by the US FDA or approvals in other countries will be secured and if secured that Zonagen will be successful in marketing of the product. As of May 19, 1997 Gamogen has not received any royalty payments under the Impotence Agreement. Gamogen does not anticipate royalty payments under the Impotence Agreement from Zonagen within the next 12 months, with the exception, subject to the Option, of possible royalty payments by Zonagen resulting from the sale of the Oral Treatment in Mexico. Although there can be no guarantee concerning Maintenance Payments under the Option, Gamogen does anticipate Maintenance Payments from Zonagen of $150,000 within the next 12 months.

Beyond the above items, the Company's ability to increase its revenue and develop other new products is primarily based on capital it derives from current operations.

On April 18, 1995 Repro-Med executed a formal Contract Of Sale with Key Bank of New York ("Key Bank") on a facility in Chester, NY ("Chester facility") for the purpose of housing all operations of Repro-Med, Gamogen, and Gyneco. The purchase was completed on April 30, 1996. The price for the facility was $1,030,000. The purchase of the Chester facility was financed in part by a $900,000 mortgage loan from Key Bank. The mortgage is a 10 year loan with a 20 year amortization rate and annual interest at a rate of 8.82% for years 1-5. For years 6-10 the interest rate shall be the lesser of either the Key Bank base rate plus 0.5% or a fixed rate to be negotiated if offered by Key Bank. The total annual mortgage payment for years 1-5 including

principal and interest, is $95,924, payable in equal monthly installments beginning June 15, 1996. For the three months ended May 31, 1997 a total of $19,338 in interest expense due on the mortgage was recorded. Total mortgage principal payments for the three months ended May 31, 1997 were $4,643. A portion of the Chester facility is leased to Key Bank on a net/net/net rent basis for 20 years at annual rent of $86,100 for years 1 through 10 and $99,990 for years 11 through 20. For the three months ended May 31, 1997 a total of $21,525 in rent, exclusive of property tax rent allocations have been paid by Key Bank. The formal lease contract required an $86,100 security deposit from Key Bank and additional rent payments by Key Bank of 35% of all property taxes paid. Key Bank intends to maintain local branch operations in the leased portion of the building. The new facility is expected to improve Repro-Med and Gyneco manufacturing efficiencies and provide additional space for expansion of operations. The total expenditure in the fiscal year ended February 1996 for this real estate purchase was $78,736, which included a $55,000 deposit. The total expenditure, net of the mortgage proceeds of $900,000, in the fiscal year ended February 1997 for this real estate purchase and certain capital improvements, and other related legal and engineering

costs was $227,643. The total expenditure in the fiscal quarter ended May 31, 1997 for capital improvements related to this real estate purchase was $1,925.

In a transaction related to the purchase of the Chester facility on April 30, 1996, the Company secured from Key Bank of New York a line of credit of $300,000. The line of credit was due on June 30, 1997. Pending its review for the renewal of this line of credit for an additional one year term, on June 30, 1997 Key Bank of New York extended the line of credit to September 30, 1997. As of May 30, 1997 the Company has borrowed and has outstanding debt of $260,000 on this line of credit.

On October 31, 1995, the Company redeemed in a private transaction 275,000 shares of common shares at a price of $0.08 per share or a total of $22,000. On September 10, 1996, the Company redeemed in a private transaction 2,000,000 shares of common shares at a price of $0.06 per share or a total of $120,000. The 2,275,000 shares redeemed were previously restricted in part as to their sale under "Rule 144" of the Securities and Exchange Act. The 2,000,000 shares redeemed are subject to a ten year voting agreement dated June 30, 1992 under which Mr. Andrew I. Sealfon, President and Chairman of Repro-Med has the exclusive right to vote all the shares covered under the voting agreement. The Treasury Stock shares while held by the Company will be voted exclusively by Mr. Sealfon as required by the voting trust. Treasury Stock shares may be sold at a future time or held by the Company for corporate use.

The Osbon Medical Systems division of Urohealth Systems, Inc. ("Osbon") OEM product purchases represented 61% of the Company's total sales for the current fiscal year, ending February 1997. As a result of increases in manufacturing costs and lower volume the Company implemented an increase in selling prices of certain of its OEM products in March 1996.

Osbon markets the Company's OEM products in the impotence vacuum device market. Management believes that Osbon presently controls a substantial portion of the impotence vacuum device market. Other products have recently been developed for Osbon which compete with the Company's current OEM products and are anticipated to be manufactured and marketed directly by Osbon. These new products were introduced by Osbon in direct competition to the Company's OEM products in June 1996 and are sold under the trade name "Esteem" ("Esteem products"). As a result the Company has seen a decline in sales of its OEM products to Osbon. Sales of OEM products to Osbon for the fiscal year ended February 1997 were $1,468,715, a decline of $676,008 from the previous fiscal year. Based on orders to-date and discussions with Osbon concerning anticipated purchases, management estimates sales to Osbon in the fiscal year ended February 1998 may be approximately 50% to 60% lower as compared to fiscal 1997. These estimates are based on the assumption that Osbon can continue to successfully manufacture and generate significant market acceptance for the Esteem products.

During the twelve month period ended March 1996, the Company, acting in accordance with its written agreement with Osbon for the manufacture by Repro-Med of the Esteem products ("Esteem Agreement"), cooperated in and provided extensive work in testing, validation, design analysis and problem solving, prototyping and generating and providing information concerning performance and improvements to the Esteem products design. In furtherance of the Esteem Agreement Repro-Med provided Osbon related information concerning Repro-Med's proprietary product design, materials, and manufacturing processes. Management believes that Repro-Med's assistance was vital to Osbon's attempts to complete the design and facilitate the timely manufacture of the Esteem products. Throughout this time period the Company advised Osbon of numerous engineering design faults related to the manufacturability, quality, and customer use of the Esteem products which Repro-Med had discovered through its testing and validation work on the Esteem products. These faults were primarily the result of either design specifications provided Osbon by its contract engineers or other items initiated by Osbon. A number of these faults were significant and resulted in delays throughout the program. In March 1996 the Company forthrightly advised Osbon that, based on the Company's current knowledge of the status of the design, that confirmation of certain production scheduling requested by Osbon was unrealistic and could not reasonably be achieved, namely the production and delivery of 7,000 Esteem

products by May 15, 1996. In April 1996 Osbon advised that it was withdrawing its commitment to Repro-Med for manufacture of the Esteem products and had secured other options for manufacture of these products. No prior notice was provided the Company by Osbon. Despite repeated requests to Osbon the Company has not received an explanation for this action. The Company has advised Osbon that Repro-Med is due compensation for its work to-date on the Esteem products and for use of its proprietary design and manufacturing information. The Company has also advised Osbon that Repro-Med is available to initiate the manufacture the Esteem products in accordance with its written agreement. The Company intends to seek to resolve these matters on an amicable basis with Osbon. To date no resolution has been agreed to. Osbon remains a significant and important customer of Repro-Med.

Repro-Med sales of OEM products to Osbon in the quarter ended May 31, 1997 were $111,888, or 34% of sales, and were at the increased selling prices noted above. Repro-Med sales of OEM products to Osbon in the quarter ended May 31, 1996 were $489,899, or 68% of sales.

Excessive purchases of OEM products by Osbon in the quarter ended November 30, 1996 resulted in a large increase in Osbon inventory of the Company's OEM products. Due to subsequent efforts by Osbon to reduce these high inventory levels, sales to Osbon in the fiscal quarter ended February 1997 were at reduced levels and totaled $72,816. Sales to Osbon increased in the fiscal quarter ended May 31, 1997 and totaled $111,888. Based on discussions with Osbon, management anticipates that Osbon purchases of OEM products will continue to increase in the fiscal quarter ended August 1997.

Management continues its optimism that company revenues will increase due to continued growth in sales of the Res-Q-Vac, introduction of the Syringe I.V. Infusion System, and development and sale of the OEM medical suction device, limiting the impact of the decline in its OEM product sales to Osbon. The Company is continuing to develop new products and expand its operations. Management is seeking additional sources of capital to enable the Company's product development to proceed at a more aggressive pace. Management believes, however, that the Company's expansion can continue on the basis of currently available funds which includes working capital of $1,297,806 and additional cash flow derived from operations. Management anticipates that the Company's operating cashflow will decline for fiscal 1998 due to capital spending in the first quarter of the 1998 fiscal year for plastic injection molding tooling for the Syringe I.V. Infusion System product, an operating

loss in the first quarter of the 1998 fiscal year, and increases in inventory, accounts receivable and other spending related to the Syringe I.V. Infusion System.

Any statements which are not historical facts contained in this report are forward looking statements that involve risks and uncertainties, including but not limited to those relating to the uncertainty of expected purchases of OEM products by Osbon, other unexpected increases or decreases in sales of the Company's products, market acceptance and product demand for the Company's Syringe I.V. Infusion System, uncertainty related to Food and Drug Administration or other government regulation, and other risks identified in the Company's Securities and Exchange Commission filings.

Results of Operations

Results For Three Months Ended May 31, 1997 As Compared With Three Months Ended May 31, 1996:
In the three months ended May 31, 1997 the loss from operations was $150,089 as compared to income from operations of $81,840 in the three months ended May 31, 1996. The decrease in operating income resulted primarily from an anticipated decline in sales of OEM products to Osbon (see above) and increased depreciation and amortization expense related to the Chester facility. The decline in operating income was limited in part by improved margins on cost of goods sold and decreased research and development expense versus the first quarter of the prior fiscal year. Research and development expenses, in the quarter ended May 1997, were reduced by $20,000 in payments received for the development of the new OEM medical suction device. Sales in the current quarter were $332,468 versus sales of $718,702 in the same quarter of the prior fiscal year. The decline in sales resulted from a decrease in OEM

product purchases by Osbon (see above). Cost of goods sold decreased $202,845 as a result of decreased OEM product sales volume. Margins on sales after cost of goods sold improved versus the same quarter of the prior fiscal year due, in part, to increased prices on OEM products (see Capital Resources and Liquidity section above) and improved product sales mix. Selling, general, and administrative expenses were $293,116. Selling, general, and administrative expenses increased $49,779, versus the same quarter of the prior year, due primarily to increased property taxes, utilities, and maintenance costs on the new Chester facility and increased marketing costs related to the Freedom60 System. Research and development expenses totaled $40,736 in the current quarter and, due to payments received towards development of the new OEM medical suction device, declined $15,444 as compared to the same quarter of the prior fiscal year. Depreciation and amortization were $32,853 in the current quarter, as compared to $18,648 in the same quarter of the prior fiscal year. The increase in depreciation and amortization is due primarily to increased depreciation expense on the Chester facility.

In the quarter ended May 31, 1997, the loss before taxes was $94,944 as compared to income before taxes of $157,718 in the quarter ended May 31, 1996. The loss before taxes resulted from the loss from operations. The loss before taxes was limited by $57,287 in non-operating income due to licensing income of $50,000 and rental income on the Chester facility of $21,525 offset in part by interest expense.

The net loss was $47,417 for the quarter ended May 31, 1997, as compared to net income of $112,672 in the quarter ended May 31, 1996. The net loss per common share was $0.00 in the current quarter. Income per common share was $0.01 in the quarter ended May 31, 1996.

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 following persons, thereunto duly authorized.

REPRO-MED SYSTEMS, INC

/s/ Andrew I. Sealfon July 14, 1997

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

/s/ Jesse A. Garringer July 14, 1997

Jesse A. Garringer, Executive Vice-President, General Manager, Secretary, Director, and Chief Financial Officer

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