

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 November 30, 2002  
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Commission File Number 0-12305  
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REPRO-MED SYSTEMS, INC.  
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(Exact name of registrant as specified in its charter)

New York 13-3044880  
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(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  
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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 Nov 30 2002
-----	-----
Common stock, \$.01 par value	23,504,000 shares

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 REPRO-MED SYSTEMS, INC.  
 BALANCE SHEET  
 UNAUDITED

ASSETS	November 30,2002
<b>CURRENT ASSETS</b>	
Cash & Cash Equivalents .....	\$ 24,303
Accounts Receivable, net .....	182,405
Inventory .....	530,238
Prepaid Expenses & Other Receivables .....	35,067
<b>TOTAL CURRENT ASSETS .....</b>	<b>772,551</b>
<b>EQUIPMENT &amp; OTHER ASSETS</b>	
Total Equipment .....	1,199,772
Less - Accumulated Depreciation .....	(765,676)
Net Book Value of Equipment .....	434,095
Deposits .....	52,000
Other Assets .....	45,867
<b>TOTAL EQUIPMENT &amp; OTHER ASSETS .....</b>	<b>531,962</b>
<b>TOTAL ASSETS .....</b>	<b>\$ 1,304,513</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable .....	\$ 263,760
Demand loan from President .....	84,000
Accrued Expenses .....	84,013
Bank Line of Credit Payable .....	200,000
Current Portion of Leases Payable .....	25,346
Current Portion Capital Gain .....	22,481
<b>Total Current Liabilities .....</b>	<b>679,600</b>
<b>OTHER LIABILITIES</b>	
Long-Term Portion of Leases Payable .....	51,450
Deferred Capital Gain Income .....	342,835
<b>TOTAL LIABILITIES .....</b>	<b>1,073,885</b>
<b>STOCKHOLDERS' EQUITY</b>	
Preferred Stock, 8% Cumulative \$.01 Par Value Authorized 2,000,000 Issued & Outstanding 10,000 Shares (liquidation value \$100,000) .....	100
Common Stock, \$.01 Par Value, Authorized 50,000,000 Shares, Issued & Outstanding 23,504,000(Includes 2,275,000 in Treasury Shares) Respectively .....	235,040
Additional Paid-in Capital .....	2,211,631
Accumulated Deficit .....	(2,074,143)
Treasury Stock at Cost .....	(142,000)
<b>TOTAL STOCKHOLDERS' EQUITY .....</b>	<b>230,629</b>

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY ..... \$ 1,304,513

See Accompanying Notes to Unaudited Financial Statements

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 REPRO-MED SYSTEMS, INC  
 STATEMENTS OF OPERATIONS  
 UNAUDITED

FOR THE 3 MONTHS ENDED    FOR THE 9 MONTHS ENDED

-----  
 Nov 30,    Nov 30,    Nov 30,    Nov 30,  
 2002    2001    2002    2001  
 ----    ----    ----    ----

SALES

Net Sales of Products .....\$ 381,547    \$ 426,393    \$ 1,268,628    \$ 1,301,956

COST AND EXPENSES

Cost of Goods Sold .....	260,148	323,571	883,753	953,740
Selling, General & Administrative Expenses ..	129,584	155,313	406,175	485,119
Research and Development ...	5,482	11,660	16,273	34,611
Equity Based Compensation ..	0	10,250	0	30,750
Depreciation and Amortization .....	20,160	21,387	59,757	63,164
	-----	-----	-----	-----
TOTAL COST AND EXPENSES .....	415,374	522,181	1,365,958	1,567,384
	-----	-----	-----	-----

(LOSS) FROM OPERATIONS ..... (33,827)    (95,788)    (97,330)    (265,428)

Non-Operating Income (Expense)

Interest (Expense) .....	(3,898)	(5,400)	(17,820)	(13,465)
Interest & Other Income ....	8,310	400	12,402	6,122
	-----	-----	-----	-----
	(4,412)	(5,000)	(5,417)	(7,343)
	-----	-----	-----	-----

(LOSS) BEFORE INCOME TAXES ... (29,415)    (100,788)    (102,748)    (272,770)

Provision for Income Taxes    0    (161)    (0)    (572)

NET (LOSS) AFTER TAXES ..... (29,415)    (100,949)    (102,748)    (273,342)

Preferred Dividends ..... 2,000    0    6,000    8,000

NET (LOSS) AVAILABLE TO

COMMON SHAREHOLDERS ..... (31,415)    (100,949)    (108,748)    (281,342)

(LOSS) PER COMMON SHARE

Primary .....	(\$ 0.00)	(\$ 0.00)	(\$ 0.00)	(\$ 0.01)
Fully Diluted .....	(\$ 0.00)	(\$ 0.00)	(\$ 0.00)	(\$ 0.01)

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

November    November  
 30, 2002    30, 2001  
 -----    -----

CASH FLOWS FROM OPERATING ACTIVITIES

Net (Loss) .....	(\$102,748)	(\$273,342)
Adjustments to reconcile net (loss) to cash (used) in operating activities:		
Equity Based Compensation .....	0	30,750
Depreciation and Amortization .....	59,757	63,164
Deferred Gross Profit - Building Lease .....	(16,861)	(16,861)
Accounts Receivable .....	13,896	56,707
Inventory .....	70,397	(63,152)
Prepaid Expenses and Other Receivables .....	(27,260)	19,751
Other Assets .....	-	(422)
Demand Loan to President .....	15,000	-
Accounts Payable .....	74,649	67,296
Leases Payable .....	52	43,332
Other Liabilities .....	(60,779)	25,840
	-----	-----
NET CASH PROVIDED IN (USED BY) OPERATIONS .....	26,103	(46,937)
	-----	-----
CASH FLOWS USED BY INVESTING ACTIVITIES		
Capital Expenditures .....	(23,470)	(73,388)
	-----	-----
NET CASH USED BY INVESTING ACTIVITIES .....	(23,470)	(73,388)
	-----	-----
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
Proceeds from Line of Credit .....	0	130,000
Preferred Stock Dividend .....	(4,000)	(8,000)
	-----	-----
CASH FLOW PROVIDED BY FINANCING ACTIVITIES: .....	(4,000)	122,000
	-----	-----
NET INCREASE (IN CASH .....	(1,367)	1,675
CASH, beginning of period .....	25,670	35,466
	-----	-----
CASH, end of period .....	\$ 24,303	\$ 37,141
	=====	=====

#### SUPPLEMENTAL DISCLOSURES

##### CASH PAYMENTS FOR

Interest .....	13,321	13,465
Income Taxes .....	702	572

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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 consolidated financial statements and related footnotes for the year ended February 28, 2002 included in the Form 10-KSB for the year then ended.

As shown in the accompanying interim financial statements, the Company incurred a net loss of \$102,748 during the nine-months ended November 30, 2002. The Company intends to raise additional capital or financing, to improve their liquidity. These factors create substantial doubt as to the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the financial statements that might be necessary should the Company be unable to continue as a going concern.

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 November 30, 2002, and the results of operations for the three-month and six month periods ended November 30, 2002 and 2001 and cash flows for the periods ended November 30, 2002 and 2001 have been included.

The results of operations for the three-month and six-month periods ended November 30, 2002, 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 28, 2002.

Reclassification - certain reclassifications have been made to prior year amounts to conform to current year presentation.

#### Debt

As of November 30, 2002, we have an outstanding balance of \$200,000 on our bank line of credit. The line agreement officially ended on June 30, 2001 but was verbally renewed by the bank through February 2003.

#### New Accounting Developments

In June 2002, the Financial Accounting Standards Board issued SFAS No. 146 on "Accounting for Costs Associated with Exit or Disposal Activities". The

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Company is reviewing the requirements and implications of adopting such standards by December 31, 2002. This Statement addresses financial and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The Company currently does not believe adopting such standards will have a material effect on the presentation of the financial statements.

#### 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 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 November 30, 2002 vs. 2001

Sales of our core products increased quarter over quarter ended November 30, 2002 with our Freedom60 sales increasing by 29% and Res-Q-Vac sales increasing by 17%. Net sales increased 1% overall from \$448,150 (2001) to

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\$451,840 (2002) for the quarter despite the loss in sales of approximately \$63,000 from a major OEM customer for the second quarter 2002 and reduced sales for a low margin product line that we have been phasing out over the last year.

Gross profit increased to 33% of net sales in 2002 from 31% in 2001 primarily resulting from cost containment reductions.

Selling, general and administrative expense decreased 14% from 2001 to 2002 as a result of the reduction of sales and administrative personnel, and decreased marketing and show expenses.

Research and development expenses decreased 53% quarter over quarter due to the fact that we enlisted outside engineering help in the second quarter 2001 but not in the second quarter 2002.

There was no material change in depreciation and amortization expense during this period.

Interest expense increased 46% as a result of the addition of tooling leases during the second quarter of 2001 and the addition of a tooling lease at the end of Fiscal year 2002.

Nine Months Ended November 30, 2002 vs. 2001

Sales of our core products increased for the six-months ended November 30, 2002 vs. the six-months ended November 30, 2001, with our Freedom60 sales increasing by 30% and Res-Q-Vac sales increasing by 26%. Net sales increased 1% overall from \$875,563 (2001) to \$887,082 (2002) for the quarter despite the loss in sales of approximately \$149,000 from a major OEM customer for the six-months ended November 30, 2002 and reduced sales for a low margin product line that we have been phasing out over the last year.

Gross profit increased to 30% of net sales in 2002 from 28% in 2001 primarily resulting from cost containment reductions and reductions in material costs.

Selling, general and administrative expense decreased 17% from 2001 to 2002 as a result of the reduction of sales and administrative personnel, and decreased marketing and show expenses.

Research and development expenses decreased 53% due to the fact that we enlisted outside engineering help during the six-months ended November 30, 2001 but not during the six-months ended November 30, 2002.

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## 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. The line of credit was intended for material purchases for new orders and tooling. As of August 31, 2002, \$200,000 has been advanced on the line of credit. Although the line expired on June 30, 2001, the bank verbally renewed the line through February 2003.

We are attempting to achieve and maintain positive cash flow by continuing to increase sales for the FREEDOM60 and RES-Q-VAC, decreasing material costs and by pursuing capital investment through debt or equity. The Company is working with outside distributors to increase market share in the European markets for the RES-Q-VAC, and to introduce the FREEDOM60 into the European market. Currently, our distributor for the FREEDOM60 in Italy is marketing the product and has received an initial order. We are in the process of validating new lower-cost and more efficient vendors for our raw materials, which will assist us in continuing to improve our margins on our current products. The Company has sufficient capital for our ongoing needs based on anticipated sales growth in the next six months and maintaining careful control of expenses. The funds available on August 31, 2002 are expected to meet cash requirements as planned under current operating conditions at least for the next 12 months.

## 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 November 30, 2002.

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Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

Exhibit Description

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99.1 Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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

January 16, 2003

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

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CERTIFICATION

I, Andrew Sealfon, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Re-pro-Med Systems, Inc.;

2. Based on my knowledge, this quarterly 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 circumstance under which such statements were made, not misleading with respect to the period covered by this quarterly report;

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period this quarterly report is being

prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies in the design or operation of internal controls which would adversely effect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material; that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 16, 2003

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Repro-Med Systems, Inc., on Form 10-QSB for the period ending November 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew Sealfon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

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, President, Treasurer,  
Chairman of the Board, Director, and Chief Executive Officer