

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934.

For the quarterly period ended August 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

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 Identification No.)  
incorporation or organization)

24 Carpenter Road, Chester New York 10918  
(Address of principal executive offices) (Zip Code)

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

(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 of 1934 during  
the preceding 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 by check mark whether the registrant has submitted electronically and  
posted on its corporate Web site, if any, every Interactive Data File required  
to be submitted and posted pursuant to Rule 405 of Regulation S-T during the  
preceding 12 months (or for such shorter period that the registrant was required  
to submit and post such files.) Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an  
accelerated filer, a non-accelerated filer, or a smaller reporting company. See  
the definitions of "large accelerated filer," "accelerated filer" and "smaller  
reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in  
Rule 12b-2 of the Exchange Act).  Yes  No

As of August 31, 2010, 36,536,667 shares of common stock, \$.01 par value per  
share, were outstanding.

REPRO-MED SYSTEMS, INC.  
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PART 1 - FINANCIAL INFORMATION

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REPRO-MED SYSTEMS, INC.  
BALANCE SHEETS

<CAPTION>

AUGUST 31, FEBRUARY 28,  
2010 2010  
(UNAUDITED)

<S>

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ASSETS

CURRENT ASSETS:

Cash .....	\$ 1,022,818	\$ 813,383	
Accounts receivable less allowance for doubtful accounts of \$32,893 and \$30,823 for August 31, 2010 and February 28, 2010, respectively .....	405,644	654,960	
Inventory .....	632,896	634,584	
Prepaid expenses .....	121,333	67,611	
Deferred Tax Asset .....	308,250	308,250	
	-----	-----	
Total Current Assets .....	2,490,941	2,478,788	

PROPERTY & EQUIPMENT, less accumulated depreciation of \$1,285,124 and \$1,256,617 at August 31, 2010 and February 28, 2010, respectively ....	266,017	221,043	
--	---------	---------	--

OTHER ASSETS:

Patents, net of accumulated amortization of \$99,463 and \$96,745 at August 31, 2010 and February 28, 2010, respectively .....	31,380	34,958	
Security deposit .....	28,156	28,156	
Deferred Tax Asset .....	92,395	224,734	
	-----	-----	
Total Other Assets .....	151,931	287,848	

TOTAL ASSETS .....	\$ 2,908,889	\$ 2,987,679	
	=====	=====	

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Note payable - current portion .....	\$ 1,858	\$ 29,483
Notes payable to related parties - current portion .....	37,860	36,744
Deferred capital gain - current portion .....	22,481	22,481
Accounts payable .....	71,563	80,717
Accrued expenses .....	51,697	118,740
Accrued interest .....	--	54,183
Accrued preferred stock dividends .....	--	68,000
Accrued payroll and related taxes .....	21,815	12,655
Warranty liability .....	70,363	72,188
	-----	-----
Total Current Liabilities .....	277,637	495,191

OTHER LIABILITIES:

Note payable - less current portion .....	4,534	5,480
Notes payable to related parties - less current portion .....	499,046	618,259
Deferred capital gain less current portion .....	168,615	179,855
	-----	-----
Total Other Liabilities .....	672,195	803,594
	-----	-----
Total Liabilities .....	949,832	1,298,785

STOCKHOLDERS' EQUITY:

Preferred Stock, 8% cumulative, liquidation value \$100,000, \$0.01 par value, 2,000,000 shares authorized, 10,000 shares issued and outstanding at February 28, 2010 .....	--	100
Common Stock, \$0.01 par value, 50,000,000 shares authorized, 36,536,667 and 35,584,286 issued and outstanding at August 31, 2010 and February 28, 2010, respectively .....	365,367	355,843
Additional paid-in Capital .....	3,011,249	3,008,162
Accumulated deficit .....	(1,275,559)	(1,533,211)
	-----	-----
	2,101,057	1,830,894
Less: Treasury Stock, 2,275,000 shares at cost at August 31, 2010 and February 28, 2010 .....	(142,000)	(142,000)
	-----	-----
Total Stockholders' Equity .....	1,959,057	1,688,894
	-----	-----
Total Liabilities and Stockholders' Equity .....	\$ 2,908,889	\$ 2,987,679

The accompanying notes are an integral part of these Financial Statements

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<TABLE>

REPRO-MED SYSTEMS, INC.  
STATEMENTS OF OPERATIONS (UNAUDITED)

<CAPTION>

FOR THE THREE MONTHS ENDED FOR THE SIX MONTHS ENDED

	AUGUST 31		AUGUST 31	
	2010	2009	2010	2009
	-----	-----	-----	-----
NET SALES .....	\$ 1,079,388	\$ 947,056	\$ 2,062,330	\$ 1,760,185
COST AND EXPENSES				
Cost of goods sold .....	366,327	305,681	729,715	618,216
Selling, general and administrative .....	507,949	424,548	968,723	801,237
Research and development .....	10,394	6,880	17,600	14,009
Depreciation and amortization .....	15,690	16,698	31,225	34,652
	-----	-----	-----	-----
TOTAL COSTS AND EXPENSES .....	900,360	753,807	1,747,263	1,468,114
	-----	-----	-----	-----
NET OPERATING PROFIT .....	179,028	193,249	315,067	292,071
OTHER INCOME/(EXPENSES)				
Gain (Loss) Currency Exchange .....	(1,970)	(2,027)	(5,228)	(2,828)

Interest Expense .....	(9,092)	(11,894)	(20,105)	(24,141)
Forgiveness of Interest .....	--	--	28,425	--
Interest and Other Income .....	3,481	442	3,832	680
<u>TOTAL OTHER INCOME/(EXPENSE) .....</u>	<u>          </u>	<u>(7,581)</u>	<u>(13,479)</u>	<u>6,924 (26,289)</u>
NET PROFIT BEFORE TAXES .....	171,447	179,770	321,991	265,782
Provision for Income Taxes .....	(70,215)	(69,159)	(132,339)	(91,118)
NET INCOME .....	101,232	110,611	189,652	174,664
PREFERRED STOCK DIVIDENDS .....	--	4,000	--	4,000
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	\$ 101,232	\$ 106,611	\$ 189,652	\$ 170,664
NET INCOME PER COMMON SHARE AVAILABLE TO COMMON STOCKHOLDERS .....	\$ --	\$ --	\$ .01	\$ --
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	35,646,398	35,518,634	35,615,342	35,173,960

The accompanying notes are an integral part of these Financial Statements

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REPRO-MED SYSTEMS, INC.  
STATEMENTS OF CASH FLOWS (UNAUDITED)

<CAPTION>

FOR THE SIX MONTHS ENDED

AUGUST 31, AUGUST 31,  
2010 2009

<S>

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CASH FLOWS FROM OPERATING ACTIVITIES

Net Income .....	\$ 189,652	\$ 174,664
Adjustments to reconcile net income to net cash from operating activities:		
Stock based Compensation .....	12,511	19,312
Depreciation and amortization .....	31,225	34,652
Deferred capital gain - building lease .....	(11,240)	(11,240)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable .....	249,316	9,800
(Increase) decrease in inventory .....	1,688	(86,035)
(Increase) decrease in prepaid expense .....	(53,722)	(34,721)
(Increase) decrease in deferred tax asset .....	132,339	85,805
Increase (decrease) in accounts payable .....	(9,154)	(84,701)
Increase (decrease) in accrued payroll and related taxes	9,160	993
Increase (decrease) in accrued expense .....	(67,043)	(70,532)
Increase (decrease) in customer deposits .....	--	(30)
Increase (decrease) in warranty liability .....	(1,825)	(17,891)
Increase (decrease) in accrued interest .....	(54,183)	6,877
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES .....</u>	<u>428,724</u>	<u>26,953</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for property and equipment .....	(73,481)	(30,564)
Reduction in patents .....	860	--
Payments for patents .....	--	(1,545)
<u>NET CASH USED IN INVESTING ACTIVITIES .....</u>	<u>(72,621)</u>	<u>(32,109)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on notes payable .....	(28,571)	(2,279)
---------------------------------	----------	---------

Payments to note payable to related parties .....	(118,097)	(14,170)	
NET CASH USED BY FINANCING ACTIVITIES .....	(146,668)	(16,449)	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .....	209,435	(21,605)	
CASH BEGINNING OF YEAR .....	813,383	519,209	
CASH END OF YEAR .....	\$ 1,022,818	\$ 497,604	

Supplemental Information

Cash paid during the year for:

Interest ..... \$ 17,438 \$ 17,264

Non Cash Activities

Issuance of Common Stock to reduce related party Loan .... \$ -- \$ 83,050

Conversion of Preferred Stock into Common Stock ..... \$ 100,000 \$ --

The accompanying notes are an integral part of these Financial Statements

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REPRO-MED SYSTEMS, INC.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE NATURE OF OPERATIONS

Repro-Med Systems, Inc. (the "Company") was incorporated on March 24, 1980 under the laws of the State of New York. The Company was organized to engage in research, development, laboratory and clinical testing, production and marketing of medical devices used in the treatment of the human condition.

BASIS OF PRESENTATION

The accompanying unaudited financial statements as of August 31, 2010 have been prepared in accordance with generally accepted accounting principles in accordance with instructions to regulation S-X. Accordingly, they do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America for complete financial presentation.

In the opinion of the Company's management, the financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the Company's financial position as of August 31, 2010 and the results of operations and cash flow for the interim periods ended August 31, 2010 and 2009.

The results of operations for the three months and six months ended August 31, 2010 and 2009 are not necessarily indicative of the results to be expected for the full year. These interim financial statements should be read in conjunction with the financial statements and notes thereto of the Company and management's discussion and analysis of financial condition and results of operations included in the Company's Annual Report for the year ended February 28, 2010, as filed with the Securities and Exchange Commission on Form 10-K.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

INVENTORY

Inventories consist of purchased parts and assembled units and are stated at the lower of average cost or market value. Average cost is calculated using a rolling average based upon new purchases and quantities.

PATENTS

Costs incurred in obtaining patents have been capitalized and are being amortized over seventeen years.

INCOME TAXES

Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates of the date of enactment.

The Company recorded deferred tax assets in the amount of \$400,645 and \$532,984 at August 31, 2010 and February 28, 2010, respectively. The deferred tax assets have been offset by valuation allowances of \$0 at August 31, 2010 and February 28, 2010, respectively. Management based the valuation allowance calculations on the prospect of future profitability.

The company recorded income tax expense in the amount of \$70,215 and \$69,159 for the months ended August 31, 2010 and 2009, respectively, and \$132,339 and \$91,118 for the six month ended August 31, 2010 and 2009, respectively.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company does not have any unrecognized tax benefits at August 31, 2010 and February 28, 2010 or during the periods then ended. No unrecognized tax benefits are expected to arise within the next twelve months.

PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the respective assets. Routine maintenance, repairs and replacement costs are expensed as incurred and improvements that extend the useful life of the assets are capitalized. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in operations.

NET INCOME PER COMMON SHARE

Basic earnings per share is computed on the weighted average of common shares outstanding during each year. Prior to the quarter ending August 31, 2010 diluted earnings per share included an increase to income for the preferred stock dividends and an increase in the weighted average shares by the common shares issuable upon exercise of employee and director stock options (Note 6) and convertible preferred stock shares. For the periods ended August 31, 2010, diluted earnings per share only includes an increase in the weighted average shares by the common shares issuable upon exercise of employee and director stock options (Note 6). See the following:

INCOME	SHARES	PER-SHARE	
THREE-MONTHS ENDED AUGUST 31, 2010	(NUMERATOR)	(DENOMINATOR)	AMOUNT
-----	-----	-----	-----

Basic Net Income Per Common Share			
Income available .....	\$ 101,232	35,646,398	\$ 0.00
Preferred stock dividends .....	--	--	--
Options includable .....	--	2,776,412	--
Convertible preferred stock .....	--	--	--
	-----	-----	-----
Diluted Net Income Per Common Share	\$ 101,232	38,422,810	\$ 0.00
	-----	-----	-----

	INCOME	SHARES	PER-SHARE	
SIX-MONTHS ENDED AUGUST 31, 2010	(NUMERATOR)	(DENOMINATOR)	AMOUNT	
	-----	-----	-----	
Basic Net Income Per Common Share				
Income available .....	\$ 189,652	35,615,342	\$ 0.01	
Preferred stock dividends .....	--	--	--	
Options includable .....	--	2,776,412	--	
Convertible preferred stock .....	--	--	--	
	-----	-----	-----	
Diluted Net Income Per Common Share	\$ 189,652	38,391,754	\$ 0.00	
	-----	-----	-----	

#### USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Important estimates include but are not limited to, asset lives, valuation allowances, inventory and accruals.

#### ALLOWANCE FOR DOUBTFUL ACCOUNTS

In determining the allowance for doubtful accounts the Company analyzes the aging of accounts receivable, historical bad debts, customer creditworthiness and current economic trends.

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#### REVENUE RECOGNITION

Sales of manufactured products are recorded when shipment occurs and title passes to a customer, persuasive evidence of an arrangement exists with the customer, the sales price is fixed and determinable and the collect ability of the sales price is reasonably assured. The Company's revenue stream is derived from the sale of an assembled product. Other service revenues are recorded as the service is performed. Shipping and handling costs are generally billed to customers and are not included in sales. The Company does not accept return of goods shipped unless it is a Company error. The Company does not grant sales allowances other than an occasional 1% discount for payments made within 30 days. The only credits provided to customers are for defective merchandise and sales incentives are occasional advertising in customer catalogues.

#### STOCK-BASED COMPENSATION

The Company accounts for employee stock based compensation and stock issued for services using the fair value method. The measurement date of shares issued for services is the date when the counterparty's performance is complete.

The Company accounts for stock issued for services using the fair value method. The measurement date of shares issued for service is the date when the counterparty's performance is complete.

#### SUBSEQUENT EVENTS

The Company has evaluated subsequent events through October 15, 2010, the date on which the financial statements were issued.

#### RECLASSIFICATIONS

Certain amounts in the February 28, 2010 and August 31, 2009, financial

statements have been reclassified to conform to the presentation used in the August 31, 2010, financial statements.

#### NOTE 2 INVENTORY

Inventory is valued at the lower of average cost or market and consists of the following at:

	August 31, 2010	February 28, 2010
Raw materials .....	\$ 448,131	\$ 451,444
Work in progress .....	15,912	18,572
Finished goods .....	168,853	164,568
	-----	-----
	\$ 632,896	\$ 634,584
	-----	-----

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#### NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at:

	August 31, 2010	February 28, 2010	Estimated Useful Lives
Furniture and office equipment ....	\$ 505,482	\$ 489,679	5 years
Manufacturing equipment and tooling .....	1,045,659	987,981	7-12 years
	-----	-----	
	1,551,141	1,477,660	
Less: accumulated amortization and depreciation .....	1,285,124	1,256,617	
	-----	-----	
Property and Equipment, Net .....	\$ 266,017	\$ 221,043	
	-----	-----	

Depreciation expense was \$14,382 and \$15,289 for the Three Months ended August 31, 2010 and August 31, 2009 and \$28,507 and \$31,993 for the Six Months ended August 31, 2010 and August 31, 2009, respectively.

#### NOTE 4 RELATED PARTY TRANSACTIONS

##### NOTES PAYABLE TO RELATED PARTIES

The President of the Company previously advanced the Company \$100,000 under a demand loan bearing interest at the rate of 8% (see Note 5 - Long-term debt). This note was approved by the Board of Directors. In June 2010 the Company repaid the \$100,000 debt to the president, including half of the associated accrued interest. The other half was forgiven by the president and recorded as income as an interest rate adjustment for the steady decline in rates over the past few years.

##### LEASED AIRCRAFT

The Company leases an aircraft from a Company controlled by the President. The lease payments aggregated were \$5,375 for the three-months ended August 31, 2010 and 2009, and \$10,750 for the six months ended August 31, 2010 and August 31, 2009. The original lease agreement has expired and the Company is currently on a month-to-month basis for rental payments.

##### PREFERRED STOCK CONVERSION

On August 26, 2010, a director of the Company converted his 10,000 preferred shares for 952,381 shares of Common Stock, based on a conversion price of \$.105 per share totaling \$100,000 purchase price. The director also relinquished the accrued preferred stock dividends due to him totaling \$68,000. These dividends were restored to the the accumulated deficit of the Company.

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NOTE 5 LONG-TERM DEBT

Long-term debt consists of the following at:

	August 31, 2010	February 28, 2010
-----	-----	-----

The President of the Company loaned the Company, \$100,000 at 8% interest. The loan was unsecured and matures March 31, 2011. The loan was fully paid off in June 2010..... \$ - \$ 100,000

In January 2008, the Company entered into an installment loan arrangement to purchase a vehicle. The loan bears interest at the rate of 6.735% and was payable in 84 monthly installments of \$552. The loan was secured by the vehicle. The Company paid the loan in full in April 2010..... - 27,693

In February 2009, the Company was granted a loan from a director of the Company in the amount of \$672,663, payable in 144 monthly installments of \$5,754 at a rate of 6.00% interest. The Company issued the Director 755,000 shares of common stock at the price of \$0.11 per share in June 2009 to further reduce the debt. The loan will mature in February 2021..... 536,906 555,003

In October 2009, the Company entered into an equipment loan with Key Equipment Finance. The loan bears interest at a rate of 7.50% and is payable in 48 monthly installments of \$189 ..... 6,392 7,270

	543,298	689,966
Less current portion .....	39,718	66,227
-----	-----	-----
Long-term portion .....	\$ 503,580	\$ 623,739
-----	-----	-----

Aggregate maturities as required on long-term debt at August 31, 2010 are:

2011 .....	\$ 39,718
2012 .....	42,198
2013 .....	44,830
2014 .....	45,682
2015 .....	48,101
Thereafter ..	322,768
-----	
	\$ 543,298
-----	

NOTE 6 STOCK OPTIONS

On June 6, 2007, the Board of Directors approved the issuance of 4,360,000 stock options to key employees and directors of the Company. The options have an expiration date of 5 years from the date of grant and an exercise price of \$0.06 per share. Of the 4,360,000 stock options granted, 1,690,000 vested immediately and 890,000 stock options vest each succeeding year for three consecutive years.

The fair value of each option grant was calculated to be \$.0272 on the date of grant using the Black-Schole Option pricing model with the following assumption used for grants during the applicable period.

Risk free rate ..	2.4%
Volatility .....	96.16%
Expected life ...	1.5 years
Dividend yield ..	0%

During the six-months ended August 31, 2010, \$12,511 of expense was recorded because the Company records the expense semi-annually from the grant date. As of

August 31, 2010, there was no unrecognized compensation cost related to unvested options.

The following table summarizes the Company's stock options:

OPTIONS	WEIGHTED-AVERAGE		
	WEIGHTED-AVERAGE SHARES	EXERCISE PRICE	REMAINING CONTRACTUAL TERM
Outstanding at February 28, 2010	3,400,000	\$ 0.06	
Granted .....	-		
Exercised .....	-		
Forfeited or expired .....	-		
Outstanding at August 31, 2010	3,400,000	\$ 0.06	1.8
Exercisable at August 31, 2010	3,400,000	\$ 0.06	1.8

A summary of the status of the Entity's nonvested shares as of August 31, 2010, and changes during the six-months ended August 31, 2010, is presented below:

NONVESTED SHARES	WEIGHTED-AVERAGE	
	SHARES	GRANT-DATE FAIR VALUE
Nonvested at February 28, 2010	770,000	\$ 0.06
Granted .....	-	
Vested .....	770,000	\$ 0.06
Forfeited .....	-	
Nonvested at August 31, 2010	-	-

NOTE 7 SALE-LEASEBACK TRANSACTION - OPERATING LEASE

On February 25, 1999, the Company entered into a sale-leaseback arrangement whereby the Company sold its land and building at 24 Carpenter Road in Chester, New York and leased it back for a period of 20 years. The leaseback is accounted for as an operating lease. The gain of \$449,617 realized in this transaction has been deferred and is amortized to income in proportion to rental expense over the term of the related lease.

At August 31, 2010 minimum future rental payments are:

Year	Minimum Rental Payments
2011 .....	\$ 132,504
2012 .....	132,504
2013 .....	132,504
2014 .....	132,504
2015 .....	132,504
thereafter ..	463,764
	<u>\$1,126,284</u>

Rent expense aggregated \$33,126 for the three months ended August 31, 2010 and \$30,000 for the three months ended August 31, 2009 and \$66,252 for the six months ended August 31, 2010 and \$60,000 for the six months ended August 31, 2009.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Contingencies

The Company is contingently liable to rework and fulfill a contractual commitment of its product for a customer order. The total additional material and labor cost to complete this work approximates \$10,000. The provision has been recorded in the Company's financial statements.

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

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This Quarterly Report on Form 10-Q 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 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(R), 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 August 31, 2010 VS. August 31, 2009

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Overall Sales increased 14% from \$947,056 to \$1,079,388 quarter over quarter lead by the increase in sales of the Freedom60 and related accessories which showed a 48% increase going from \$604,688 to \$895,228 quarter over quarter. RES-Q-VAC decreased 49.9% from \$279,638 to \$140,225 with both export and domestic sales declining due to lower sales in the Emergency Medical market.

Net Operating Profit decreased 7.4% from \$193,249 to \$179,028 for the quarter ending August 31, 2010 as compared to the same period last year. Although sales were higher in the recent quarter over last, net income declined 8.5% from \$110,611 to \$101,232, the difference primarily due to a higher cost of goods sold and SG&A expenses for this three month period as compared to last year.

Selling, General and Administrative increased from \$424,548 in 2009 to \$507,949 in 2010 or 19.6% resulting from an increases in marketing expenses including trade shows, advertising, promotions and the short term hiring of a sales associate to promote the Freedom60 in Europe which is not continuing; salaries, benefits, and the design of our new subcutaneous infusion sets which are still in development. Overhead expenses increased as we added additional staff including two domestic sales associates and a mechanical engineer, all of which occurred in the second quarter of this year.

Cost of Goods sold increased \$60,646 or 19.8%, from \$305,681 to \$366,327 due to an increase in sales and production payroll and related benefits.

Interest expense decreased by 23.6% to \$9,092 in 2010 from \$11,894 for the comparative quarter in 2009 as a result of lower interest payments on long term debt and the reduction of interest on a shareholder note paid off in June 2010.

Research and Development expenses increased \$3,514 or 51.1% from \$6,880 in 2009 to \$10,394 in 2010 primarily due to a reallocation of salaries and expenses associated with new product development.

Depreciation and amortization expenses decreased by \$1,008 from \$16,698 in 2009 to \$15,690 in 2010 as a result of assets reaching their fully depreciated values.

SIX MONTHS ENDED August 31, 2010 VS. August 31, 2009

Total sales increased 17.2% or \$302,145 to \$2,062,330 from \$1,760,185 for the six month period ending August 31, 2010 led by an increase of a 34.6% in Freedom60 sales from \$1,213,854 to \$1,656,195. Res-Q-Vac declined by 30.1% from \$421,729 to \$294,930.

Net income shows a profit of \$189,652 for the six months ended August 31, 2010 as compared to \$174,664 for the same six months in 2009. Cost of goods sold increased \$111,499 or 18.0% from \$618,216 to \$729,715 due to an increase in production payroll and related benefits.

Selling, General and Administrative increased by 20.9% or \$167,495 to \$968,723 for 2010 from \$801,237 for 2009. This was a result of hiring additional staff in the areas of sales and production management, and various other additional expenses related to tradeshow.

Research and development expenses increased \$3,591 or 25.6% from \$14,009 in 2009 to \$17,600 due to reallocation of salaries and expenses associated with new product development.

Depreciation and amortization expenses decreased by \$3,427 from \$34,652 in 2009 to \$31,225 in 2010 as a result of assets reaching their fully depreciated value.

Interest expense decreased by \$4,036 or 16.7% from \$24,141 in 2009 to \$20,105 in 2010 as a result of lower interest payments on long term debt and the reduction of interest on a shareholder note paid off in June 2010.

#### LIQUIDITY AND CAPITAL RESOURCES

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Net Cash provided from Operations was \$428,724 for the six-months ended August 31, 2010 as compared with net cash provided by operations of \$26,953 for the six months ended August 31, 2009. This is due primarily to increased profit, an increase in our receivables collections and the use of our deferred tax asset.

In January of 2008 we were notified by The Trade Adjustment Assistance Program of the Trade Department that our application for a grant of \$150,000 was approved for use to assist us with marketing, ISO and regulatory affairs, and new product development. The grant matches the company on a 50-50 basis thereby reducing our costs for these new programs by half. The Trade Adjustment Assistance Program is a United States Government program to help manufacturing firms adjust to foreign business competition. The program is authorized by the Trade Act of 1974 and is administered by the U. S. Department of Commerce. The program operates through Trade Adjustment Assistance Centers located across the United States. The New York State area is served by the New York State Trade Adjustment Assistance Center (NYS TAAC). The NYS TAAC is affiliated with the Research Foundation of the State University of New York at Binghamton. Minimal

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funds were used in the previous year. However, we have initiated these programs now and intend to complete them by the end of our next fiscal year. At the end of August 31, 2010 there is approximately \$7,500 remaining in payment assistance from this grant.

We believe the Freedom60 continues to find a solid following in the subcutaneous immune globulin market and with the introduction of a new 20% IgG drug released early this year, this market is expected to continue to increase both domestically and internationally. We continue to experience an increase in sales and cash during six months ended August 31, 2010 and with these increases and the capital we currently have, we will continue to meet or exceed the company's financial needs for the next twelve months.

#### FREEDOM60

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The Freedom60 Syringe Infusion Pump is designed for ambulatory medication infusions. Ambulatory infusion pumps are most prevalent in the home care market.

Other potential applications for the Freedom60 are pain control, the infusion of specialized drugs such as IgG, and chemotherapy. The home infusion therapy market is comprised of approximately 4,500 sites of service, including local and national organizations, hospital-affiliated organizations, and national home infusion organizations, and produces approximately \$4.5 Billion in revenue annually (Ref: www.nhianet.org). With insurance reimbursement in a severe decline, there is a tremendous need for a low-cost, effective alternative to electronic and expensive disposable IV administration devices for the home care. The Freedom60 provides a high-quality delivery to the patient at costs similar to gravity and is targeted for the home health care industry, patient emergency transportation, and for any time a low-cost infusion is required.

For the home care patient, Freedom60 is an easy-to-use lightweight mechanical pump using a 60cc syringe, completely portable, cost effective and maintenance free, with no batteries to replace and no cumbersome IV pole. For the infusion professional, Freedom60 delivers precise infusion rates and uniform flow profiles providing consistent transfer of medication. A Form 510(k) Pre-market Notification for initial design of the Freedom60 as a Class II device was approved by the FDA in August 1994.

The Freedom60 is used to administer most antibiotics including the widely used and somewhat difficult to administer vancomycin. We have also found a following for Freedom60 for use in treating thalissemia with the drug desferal. In Europe we found success in using the Freedom60 for pain control, specifically post-operative epidural pain administration. Our European market also uses the Freedom60 for chemotherapy and subcutaneous immune globulin.

The Freedom60 use for Primary Immune Deficiency by injecting immune globulin (IgG) under the skin as a subcutaneous administration has seen increased usage especially in Europe over the past year and is expected to continue with the introduction a new 20% solution of IgG at the beginning of this year. We have been told by meeting users at trade shows that his method has provided them with vastly improved quality of life with much fewer unpleasant side effects over the traditional intravenous route. The Freedom60 is an ideal system for this administration since the patient is able to self-medicate at home, the pump is easily configured for this application, and the Freedom60 is the lowest cost infusion system available in a heavily cost constrained market. We have begun to advertise one of the main benefits of the Freedom60 for use with IgG which is that it operates in "dynamic equilibrium", that is, the pump finds and maintains a balance between the pressure at the patient's sites and the rate that the pump infuses. This balance is created by a safe, limited and controlled pressure which adjusts the flow rate automatically to the patient's needs providing greater convenience and lower cost for these patients.

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Repro-Med Systems' objective is to build a product franchise with Freedom60 and the sale of patented disposable tubing sets. Freedom60 uses rate-controlled tubing with standard slide clamp and luer-lock connector on the patient end. Our patented syringe disc connector ensures that only the Company's Freedom60 tubing sets will function with the pump. Non-conforming tubing sets, without the patented disc connector, are ejected from the pump to prevent the danger of an overdose or runaway pump from injuring the patient.

#### THE MARKET FOR INFUSION PUMPS & DISPOSABLES

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The ambulatory infusion market has been rapidly changing due to reimbursement issues. Insurance reimbursement has drastically reduced the market share of high-end electronic type delivery systems as well as high-cost disposable non-electric devices, providing an opportunity for the Freedom60. We believe market pressures have moved to consider alternatives to expensive electronic systems especially for new subcutaneous administrations which usually cannot be done with gravity. For cost concerns some patients have been trained to administer intravenous drugs through IV push where the drug is pushed into the vein directly from a syringe. This is a low-cost option but has been associated with complications and considered by many to be a high-risk procedure. Thus, the overall trend has been towards syringe pumps due to the low-cost of disposables.

In order to receive more favorable Medicare reimbursement for our Freedom60 Syringe Infusion System, we had submitted a formal request for a HCPCS coding verification with the Statistical Analysis Durable Medical Equipment Regional Carrier (SADMERC). On May 21, 2007 we received a notification from CMS (Centers

for Medicare & Medicaid Services) that the Freedom60 had been re-reviewed for Medicare billing. It was the determination that the Medicare HCPCS code(s) to bill the four Durable Medical Regional Carriers (DMERCs) should be: E0779 Ambulatory infusion pump, mechanical, reusable, for infusion 8 hours or greater. The new coding provides for a substantial increase in reimbursement for providers using an infusion pump for authorized users under Part B of Medicare. Current approved uses under Medicare include among others, subcutaneous immune globulin, antivirals, antifungals, and chemotherapeutics.

#### COMPETITION FOR THE FREEDOM60

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Competition for the Freedom60 for IgG is currently limited to electrically powered infusion devices which are more costly and can create high pressures during delivery which can cause complications for the administration of IgG. However, there can be no assurance that other companies with greater resources will not enter the market with competitive products which will have an adverse effect on our sales.

There is the potential for new drugs to enter the market, such as using Hyaluronidase which can facilitate absorption of IgG, making multiple site infusions unnecessary and changing the market conditions for devices such as the Freedom60. We believe the Freedom60 is ideal for all these new drug combinations but there can be no assurance that these newer drugs will have the same needs and requirements as the current drugs being used.

There can be no assurance that Medicare will continue to provide reimbursement for the Freedom60 or they may allow reimbursement for other infusion pumps that are currently in the market or new ones that may enter shortly, which could adversely affect our sales into this market.

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#### RES-Q-VAC

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The RES-Q-VAC Emergency Airway Suction System is a lightweight, portable, hand-operated suction device that removes fluids from a patient's airway by attaching the RES-Q-VAC pump to various proprietary sterile and non-sterile single-use catheters sized for adult and pediatric suctioning. The one-hand operation makes it extremely effective and the product is generally found in emergency vehicles, hospitals and wherever portable aspiration is a necessity, including backup support for powered suction systems. The disposable features of the RES-Q-VAC reduce the risk of contaminating the health professional from HIV or SARS when suctioning a patient or during post treatment cleanup. All of the parts that connect to the pump are disposable.

We recently introduced a new version of the RES-Q-VAC with the addition of a portable LED white light, which attaches to the canister assembly. The light is fully malleable and can direct light during operations when lighting is poor or at night. We are marketing a hospital version our latest version of the RES-Q-VAC which contains all of our latest enhancements.

A critical component and advantage of the RES-Q-VAC ULTRA is the Full Stop Protection, (FSP) a recently patented filtering system that both prevents leakage and over-flow of the aspirated fluids, even at full capacity, and traps all air and fluid borne pathogens and potentially infectious materials within the sealable container. This protects users from potential exposure to disease and contamination. The Full Stop Protection meets the requirement of the Occupational Safety and Health Administration. The Company has received a letter from OSHA confirming that the RES-Q-VAC with the Full Stop Protection falls under the engineering controls of the Blood Borne Pathogen regulation and that the product's use would fulfill the regulatory requirements.

We have also added new connectors to our pediatric catheters, which allow them to connect directly to the adult containers with FSP. These connectors allow pediatric suctioning with the benefit of the Full Stop Protection device as well as with sterile catheters. Many infants are born with contagious diseases and the new system eliminates this concern among paramedics during an emergency delivery.

A critical advantage of our RES-Q-VAC airway suction system is versatility. With the addition of Full Stop Protection, we created specific custom RES-Q-VAC kits

for various vertical markets:

Emergency Medicine - we make several special kits for emergency use, which contain all the catheters necessary to treat adults as well as infants or children. These first responder kits are generally non-sterile. We also have special attachments available for the advanced paramedic to treat patients who are intubated.

Respiratory - in-home care, long term care, situations requiring frequent suctioning such as cystic fibrosis patients, patients with swallowing disorders, elderly, patients on ventilators and with tracheostomies all benefit from the portability, cost and performance of the RES-Q-VAC. In hospitals, the RES-Q-VAC provides emergency back up due to power loss or breakdown of the wall suction system.

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Hospital Use - for crash carts, the emergency room, patients in isolation, moving patients throughout the hospital (e.g., from ICU to Radiology) and backup for respiratory, RES-Q-VAC is available sterile with Full Stop Protection for the ultimate in performance and to meet all the OSHA regulations and CDC guidelines for use in treating patients in isolation, and in any location. Hospitals are required under the EMTALA regulations to provide emergency treatments to patients anywhere in the primary facility and up to 250 yards away. The RES-Q-VAC insures full compliance with these regulations and helps minimize unfavorable outcomes and potential lawsuits there from. We provide special hospital kits, which are fully stocked to meet all hospital applications for both adult and pediatric.

Nursing Homes, Hospice, Sub-acute - we provide special configurations for dining areas, portable suctioning for outside events and travel. Chronic suction can be accommodated with RES-Q-VAC, which can be left by the bedside for rapid use during critical times.

Dental Applications - we offer a version of the RES-Q-VAC, called DENTAL-EVAC which addresses the needs of oral surgeons for emergency back up suction during a procedure. DENTAL-EVAC is supplied with the dental suction attachments such as saliva ejector and high volume evacuator.

Military Applications - due to its lightweight, portability, and rapid deployment, we believe that the RES-Q-VAC is ideal for any military situation. In addition, rapid, aggressive, and repeated suctioning best treats exposure to chemical weapons of mass destruction such as Sarin. We believe that the RES-Q-VAC's compact size, powerful pump, and full protection of the user from any contamination, gives us a competitive edge in this market.

RES-Q-VAC is sold domestically and internationally by emergency medical device distributors. These distributors generally sell to the end user and advertise these products in relevant publications and in their catalogs.

#### COMPETITION FOR THE RES-Q-VAC

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We believe that the RES-Q-VAC(R) is currently the performance leader for manual, portable suction instruments. In the emergency market, the primary competition is the V-Vac from Laerdal. The V-Vac is more difficult to use, cannot suction infants, and cannot be used while wearing heavy gloves such as in chemical warfare or in the extreme cold. Laerdal had more resources than Repro-Med Systems and had begun marketing the V-Vac before RES-Q-VAC(R) entered the market. Another competitor is Ambu, with the Res-Cue brand pump, a product similar to our design, made in China. We believe that the product is not as well made or as versatile, and may not be purchased by the military segment of the market due to lines of supply concerns. We believe we will continue to maintain and build market share and gain a significant portion of the electric suction pump market. We believe that the addition of Full Stop Protection(R) substantially separates the RES-Q-VAC(R) from competitive units, which tend to leak fluid when becoming full or could pass airborne pathogens during use. There is a heightened concern from health care professionals concerning exposure to disease and we believe the RES-Q-VAC(R) provides improved protection for these users.

PART I ITEM 4. CONTROLS AND PROCEDURES

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The Company's management, including the Company's chief executive officer/ Principal financial officer, has evaluated the effectiveness of the company's "disclosure controls and procedures "as such is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon his evaluation, the chief executive officer / Principal financial officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission (the "SEC") (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) is accumulated and communicated to the Company's management, including its chief executives and chief financial officers, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting during the quarter ended August 31, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

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ITEM 1. LEGAL PROCEEDINGS

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We are, from time to time, subject to claims and suits arising in the ordinary course of business, including claims for damages for personal injuries, breach of management contracts and employment related claims.

ITEM 1A. RISK FACTORS

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Not required for Smaller reporting companies

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

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None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

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None

ITEM 4. REMOVED AND RESERVED

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ITEM 5. OTHER INFORMATION

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None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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(a) EXHIBITS

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

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



SIGNATURES

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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, 2010

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

EXHIBIT 31.1

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

I, Andrew I. Sealfon, certify that:

- 1) I have reviewed the Form 10-Q 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) I am 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 me by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) 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
  - (d) 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) 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, 2010

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of Repro-Med Systems, Inc. (the "Company") on Form 10-Q for the period ending August 31, 2010, 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 results

Date: October 15, 2010

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