SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1999.

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 0-18592

MERIT MEDICAL SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Utah	87-0447695
(State or other jurisdiction of incorporation or organization)	(I.R.S. Identification No.)

1600 West Merit Parkway, South Jordan UT, 84095

(Address of Principal Executive Offices)

(801) 253-1600

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 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 x No

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

Common Stock	7,529,352
TITLE OR CLASS	Number of Shares Outstanding at May 13, 1999

MERIT MEDICAL SYSTEMS, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1: Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS
MARCH 31, 1999 AND DECEMBER 31, 1998

ASSETS	March 31, 1999 (Unaudited)	December 31, 1998
CURRENT ASSETS:		
Cash	$ 475,305	$ 851,910
Trade receivables - net	11,105,599	10,436,485

Employee and related party receivables	564,912	472,994
Irish Development Agency grant receivable	329,776	198,445
Inventories	18,390,528	17,785,743
Prepaid expenses other assets	982,033	636,124
Deferred income tax assets	676,284	739,595
Total current assets	32,524,437	31,121,296
PROPERTY AND EQUIPMENT:		
Land	1,065,985	1,065,985
Manufacturing equipment	14,018,970	13,669,599
Automobiles	85,359	89,469
Furniture and fixtures	7,989,623	7,963,835
Leasehold improvements	4,949,228	5,035,288
Construction-in-progress	1,895,426	1,182,669
Total	30,004,591	29,006,845
Less accumulated depreciation and amortization	(12,706,807)	(12,043,130)
Property and equipment - net	17,297,784	16,963,715
OTHER ASSETS:		
Intangible assets - net	2,302,706	2,333,456
Deposits	66,381	74,218
Cost in excess of the fair value of assets of acquired-net	146,875	150,673
Prepaid royalty		21,428
Total other assets	2,515,962	2,579,775
TOTAL	$ 52,338,183	$ 50,664,786

Continued on Page 2
See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS (Continued)
MARCH 31, 1999 AND DECEMBER 31, 1998

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31, 1999 (Unaudited)	December 31 1998
CURRENT LIABILITIES:		
Line of credit	$ 8,253,246	$ 7,634,607
Current portion of long-term debt	1,699,571	1,808,970
Trade payables	4,040,805	3,573,333
Accrued expenses	2,658,193	2,055,849
Advances from employees	73,625	74,090
Income taxes payable	296,018	194,722
Total current liabilities	17,021,458	15,341,571
DEFERRED INCOME TAX LIABILITIES	1,278,508	1,275,651
LONG-TERM DEBT	3,064,282	3,388,835
DEFERRED CREDITS	1,065,380	1,023,861
Total Liabilities	22,429,628	21,029,918

MINORITY INTEREST IN SUBSIDIARY	567,836	548,500
STOCKHOLDERS' EQUITY:		
Preferred stock- 5,000,000 shares authorized as of March 31, 1999 and December 31, 1998, respectively, no shares issued		
Common stock- no par value; 20,000,000 and 10,000,000 shares authorized, respectively; 7,528,668 and 7,508,914 shares issued at March 31, 1999 and December 31, 1998, respectively	17,888,503	17,793,094
Accumulated other comprehensive loss	(677,835)	(271,654)
Retained earnings	12,130,051	11,564,928
Total stockholders' equity	29,340,719	29,086,368
TOTAL	$ 52,338,183	$ 50,664,786

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND 1998 (Unaudited)

	March 31, 1999	March 31, 1998
SALES	$ 17,701,723	$ 16,466,015
COST OF SALES	11,009,621	10,302,854
GROSS PROFIT	6,692,102	6,163,161
OPERATING EXPENSES:		
Selling, general and administrative	4,819,663	4,166,965
Research and development	801,703	888,193
TOTAL	5,621,366	5,055,158
INCOME FROM OPERATIONS	1,070,736	1,108,003
OTHER EXPENSE - NET	230,546	196,660
INCOME BEFORE INCOME TAX EXPENSE	840,190	911,343
INCOME TAX EXPENSE	255,731	459,115
MINORITY INTEREST IN INCOME OF SUBSIDIARY	(19,336)	(24,573)

NET INCOME	$ 565,123	$ 427,655
EARNINGS PER COMMON SHARE - Basic and diluted	$ .08	$ .06
AVERAGE COMMON SHARES - Basic	7,511,095	7,398,596
Diluted	7,512,809	7,437,485

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND 1998 (Unaudited)

	March 31, 1999	March 31, 1998
OPERATING ACTIVITIES:		
Net income	$ 565,123	$ 427,655
Adjustments to reconcile net income to net cash provided by (used in) in operating activities:		
Depreciation and amortization	744,812	674,366
Bad debt expense	8,018	75,312
(Gains) on sales and abandonment of property and equipment		(330)
Amortization of deferred credits	(45,845)	(8,423)
Deferred income taxes	66,168	63,427
Minority interest in income of subsidiary	19,336	24,573
Changes in operating assets and liabilities:		
Trade receivables	(677,132)	68,293
Employee and related party receivables	(91,918)	(15,359)
Irish Development Agency grant receivable	(43,967)	231,796
Inventories	(604,785)	(852,452)
Prepaid expenses and other assets	(345,909)	(191,522)
Deposits	7,837	(7,563)
Trade payables	467,472	(585,987)
Accrued expenses	602,344	(75,390)
Advances from employees	(465)	(13,691)
Income taxes payable	101,296	97,328
Total adjustments	207,262	(515,622)
Net cash provided by (used in) operating activities	772,385	(87,967)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures for:		
Property and equipment	(947,731)	(316,538)
Intangible assets	(25,159)	(35,381)
Proceeds from sale of property and equipment		330
Net cash used in investing activities	(972,890)	(351,589)

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See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND 1998 (Unaudited)

	March 31, 1999	March 31, 1998
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under line of credit	618,639	608,984
Proceeds from issuance of common stock	95,409	103,359
Principal payments on:		
Long-term debt	(483,967)	(449,001)
Deferred credits		(17,367)
Net cash provided by financing activities	230,081	245,975
EFFECT OF EXCHANGE RATES ON CASH	(406,181)	(188,346)
NET DECREASE IN CASH	(376,605)	(381,927)
CASH AT BEGINNING OF PERIOD	851,910	976,692
CASH AT END OF PERIOD	$ 475,305	$ 594,765
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest (including capitalized interest of $28,614 and $32,512, respectively)	$ 181,366	$ 160,731
Income taxes	$ 88,267	$ 298,360

SUPPLEMENTAL DISCLOSURE OF NONCASH
INVESTING AND FINANCING ACTIVITIES:

During the three month periods ended March 31, 1999 and 1998, the Company entered into notes payable totaling $50,015 and $433,954, respectively, for manufacturing equipment and furniture and fixtures.

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation. In the opinion of management, the accompanying consolidated financial statements contain all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of financial position of the Company as of March 31, 1999 and December 31, 1998, and the results of its operations and cash flows for the three months ended March 31, 1999 and 1998. The results of operations for the three months ended March 31, 1999 and 1998 are not necessarily indicative of the results for a full year period.

2. Inventories. Inventories at March 31, 1999 and December 31, 1998 consisted of the following:

	March 31, 1999	December 31, 1998
Raw materials	$9,011,035	$7,458,133
Work-in-process	2,541,671	1,954,696
Finished goods	7,679,589	8,981,007
Less reserve for obsolete inventory	(841,767)	(608,093)
Total	$18,390,528	$17,785,743

3. Income Taxes. The Company has not fully allocated income tax expense between current and deferred for the quarters ended March 31, 1999 and 1998. The effective tax rate for the quarter ended March 31, 1998 is higher than the federal statutory tax rate largely due to losses incurred by the Company's Irish subsidiary for which a tax benefit was recorded at a rate of 10% vs a 35% federal statutory tax rate. The effective tax rate improved during the quarter ended March 31, 1999, as the Company's operations in Ireland became profitable and their lower tax rate improved the Company's overall effective tax rate.

4. Reporting Comprehensive Income - In June 1997, the Financial Accounting Standards Board (FASB) issued SFAS No.130, "Reporting Comprehensive Income." SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements. This statement requires that an enterprise (a) classify items of other comprehensive income by their nature in a financial statement and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in-capital in the equity section of a statement of financial position.

Effective January 1, 1998, the Company adopted the provisions of SFAS No. 130. Accordingly, the Company determined that the only transaction considered to be an additional component of comprehensive income is the cumulative effect of foreign currency translation adjustments. As of March 31, 1999 and December 31, 1998, the cumulative effect of such transactions reduced stockholders' equity by $677,835 and $271,654, respectively. Comprehensive income for the three months ended March 31, 1999 and 1998 is computed as follows:

	Three Months Ended March 31,	
	1999	1998
Net income	$565,123	$427,655
Foreign currency translation	(406,181)	(188,346)

Comprehensive income	$158,942	$239,309
	==========	==========

MERIT MEDICAL SYSTEMS, INC.

ITEM 2:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Operations. The Company's sales and earnings increased for the three months ended March 31, 1999 compared to the same period in 1998. The following table sets forth certain operational data as a percentage of sales for the three months ended March 31, 1999 and 1998:

	Three Months Ended March 31,	
	1999	1998
Sales	100.0 %	100.0%
Gross Profit	37.8	37.4
Selling, general and administrative	27.2	25.3
Research and development	4.5	5.4
Income From Operations	6.0	6.7
Other Expense	1.4	1.2
Net Income	3.2	2.6

Sales for the first quarter of 1999 increased by 8%, or $1,235,708, compared to the same period for 1998. This increase was attributable to growth in sales of stand-alone products (up 16%), and custom kits (up 2%). The largest sales growth for stand-alone products came from inflation devices (up 17%). The introduction in April of 1998 of a new line of Fountain Infusion Catheters also contributed to growth in stand-alone products. International sales for the first quarter represented 24% of total Company sales, compared to 23% for 1997.

Gross Profit. Gross profit as a percentage of sales increased in the first quarter of 1999 to 37.8%, as compared to 37.4% in the first quarter of 1998. Factors contributing to the improvement were increased sales of higher-margin, stand alone products such as the new Fountain Infusion Catheter and the inflation devices.

Operating Expenses. Operating expenses increased as a percentage of sales to 31.8%, of sales in the first quarter of 1999, compared to 30.7% in the first quarter of 1998. Selling, general and administrative costs as a percentage of sales increased to 27.2%, compared to 25.3% for the first quarter of 1998. The increase in the current period was due to increases in MIS personnel associated with implementing the Company's Oracle integrated business information system and Y2K compliance, as well as strengthening its OEM sales and new business development departments. Research and development expenses declined by $86,490 and were 4.5% of sales in the first quarter of 1999 compared to 5.4% of sales for the first quarter of 1998.

Income. During the quarter ended March 31, 1999, the Company reported income from operations of $1,070,736, a decrease of 3.4% from income from operations of $1,108,003 for the comparable period in 1998. In spite of this decline in income from operations, net income rose to $565,123 up from $427,655, an increase of 32%, when comparing net income for first quarter of 1999 to first quarter 1998. This increase was primarily due to a lower effective tax rate of 30%, down from 50% for the same quarter last year. The turn from a loss in the first quarter of 1998 to profitability in the first quarter of 1999 for the Company's Irish operation contributed greatly to this reduced income tax rate.

Liquidity and Capital Resources. At March 31, 1999, the Company's working capital was $15,502,979, which represented a current ratio of 1.9 to 1. During 1998, the Company increased an available secured bank line of credit to $10,500,000. In 1998 the Company negotiated a reduction in the interest rate and fees for its line of credit. At March 31, 1999, the outstanding balance under the line of credit was $8,253,246. Historically, the Company has incurred significant expenses in connection with product development and introduction of new products. Substantial capital has also been required to finance growth in inventories and receivables. The Company's principal sources of funding for these and other expenses has been the sale of equity and cash generated from operations, secured loans on equipment and bank lines of credit. The Company believes that its present sources of liquidity and capital are adequate for its current operations.

Year 2000.

In 1996 the Company began the conversion of the principal computer software systems to a new integrated system to support future growth and improve productivity. The Company has completed a review of its business information systems with regard to Year 2000 compliance and is either replacing or correcting those computer systems that have been found to have date-related deficiencies. A new Oracle integrated business information system for the order administration, financial and manufacturing processes was implemented and completed in November 1998.

Through March 31, 1999 the Company had incurred approximately $3.5 million in costs to improve the Company's information technology systems and for Year 2000 readiness efforts. Of this amount, a substantial portion represents the costs of implementing and transitioning to new computer hardware and software for the Company's Oracle enterprise-wide business systems. Substantially all of these costs have been capitalized. The Company anticipates incurring an additional $500,000 in connection with the Year 2000 readiness efforts. The Company expects to have all Year 2000 readiness efforts completed by September 30, 1999.

The Company believes its non-IT systems and products being shipped today have been assessed and found to be Year 2000 compliant. The Company relies on third-party providers for materials and services such as telecommunications, utilities, financial services and other key services. Interruption of those materials or services due to Year 2000 issues could affect the Company's operations. The Company has completed the process of contacting its major suppliers and has determined that all major suppliers are in the process of ensuring Year 2000 compliance. However, since the Company is dependent on key third parties, there can be no guarantee that the Company's efforts will prevent a material adverse impact on its financial position, results of operations or liquidity in future periods in the event that a significant number of suppliers and /or customers experience business disruptions as a result of their lack of Year 2000 readiness.

The Company is in the process of implementing the Oracle system in its Irish facility with a planned completion date for the end of the third quarter of 1999. Both the Company's cost estimates and completion time frames could be influenced by the Company's ability to successfully identify all Year 2000 issues, the nature and amount of corrective action required, the availability and cost of trained personnel in this area and the Year 2000 success that key third parties and customers attain. While these and other unforeseen factors could have a material adverse impact on the Company's financial position, results of operations or liquidity in future periods, management believes that it has implemented an effective Year 2000 compliance program that will minimize the possible negative consequences to the Company.

The foregoing discussion of the Company's Year 2000 readiness includes forward looking statements, including estimates of the time frames and costs for addressing the known Year 2000 issues confronting the Company, and is based upon management's current estimates, which were derived using numerous assumptions. There can be no assurance that these estimates will be achieved, and actual events and results could differ materially from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability of personnel with required remediation skills, the ability of the Company to identify and correct or replace all relevant computer code and the success of the third parties with whom the Company does business in addressing their Year 2000 issues

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report may include "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "Forward-Looking Statements" for purposes of these provisions, including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. In some cases; Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although the Company believes that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements are subject to inherent risks and uncertainties, including market acceptance of the company's products, potential product recalls, delays in obtaining regulatory approvals, cost increases, price and product competition, availability of labor and material, foreign currency fluctuations, changes in health care markets related to health care reform initiatives and other factors referred to in the Company's press releases and reports filed with the Securities and Exchange Commission. All subsequent

Forward-Looking Statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

ITEM 3:

MARKET RISK DISCLOSURES

The Company does not engage in significant derivative financial instruments. The Company does experience risk associated with foreign currency fluctuations, and interest rate risk associated with its variable rate debt; however, such risks have not been material to the Company and, accordingly, the Company has not deemed it necessary to enter into agreements to hedge such risks. The Company may enter into such agreements in the event that such risks become material in the future.

PART II - OTHER INFORMATION

ITEM 6: Exhibits and Reports on Form 8-K

(a) Exhibits - none required to be filed

(b) Reports on Form 8-K - none

SIGNATURES

Pursuant to the requirements 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.

MERIT MEDICAL SYSTEMS, INC.
- ---
REGISTRANT

Date: May 13, 1999 /s/FRED P. LAMPROPOULOS

FRED P. LAMPROPOULOS
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Date: May 13, 1999	/s/KENT W. STANGER
	KENT W. STANGER
	SECRETARY AND CHIEF FINANCIAL OFFICER

<ARTICLE> 5
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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MERIT MEDICAL SYSTEMS, INC.'S CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT FOR THE THREE MONTH PERIOD ENDING MARCH 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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