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 JUNE 30, 1997.

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.

TITLE OR CLASS	Number of Shares Outstanding at August 12, 1997
Common Stock	7,282,841

MERIT MEDICAL SYSTEMS, INC.

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PART II. OTHER INFORMATION

PART I - FINANCIAL INFORMATION

ITEM 1: Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS
JUNE 30, 1997 AND DECEMBER 31, 1996

ASSETS	June 30, 1997 (Unaudited)	December 31, 1996
CURRENT ASSETS:		
Cash	$ 536,664	$ 1,262,950
Trade receivables - net	8,448,047	7,379,079
Employee and related party receivables	291,103	327,425
Irish Development Agency grant receivable	756,393	416,891
Inventories	14,409,683	13,852,360
Prepaid expenses and other assets	798,602	518,823
Deferred income tax assets	716,005	729,060
Total current assets	25,956,497	24,486,588
PROPERTY AND EQUIPMENT:		
Land	1,103,813	1,107,351
Building	996,198	1,043,804
Automobiles	142,291	144,535
Manufacturing equipment	10,008,473	8,656,145
Furniture and fixtures	4,053,570	3,816,402
Leasehold improvements	4,396,514	2,673,897
Construction-in-progress	3,344,302	5,193,993
Total	24,045,161	22,636,127
Less accumulated depreciation and amortization	(8,541,379)	(7,605,728)
Property and equipment - net	15,503,782	15,030,399
OTHER ASSETS:		
Intangible assets - net	1,872,685	1,839,532
Cost in excess of the fair value of assets acquired - net	600,460	
Prepaid royalty - net	150,000	192,857
Deposits	240,517	169,177
Total other assets	2,863,662	2,201,566
TOTAL	$ 44,323,941	$ 41,718,553

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See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS (Continued)
JUNE 30, 1997 AND DECEMBER 31, 1996

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30, 1997 (Unaudited)	December 31, 1996
CURRENT LIABILITIES:		
Line of credit	4,806,644	4,533,873
Current portion of long-term debt	1,451,663	1,388,576
Trade payables	2,303,272	2,709,869
Accrued expenses	2,748,776	2,969,246
Advances from employees	77,447	107,907
Income taxes payable	425,842	15,906
Total current liabilities	11,813,644	11,725,377
DEFERRED INCOME TAX LIABILITIES	851,891	852,578
LONG-TERM DEBT	4,377,434	4,822,126
DEFERRED CREDITS	1,604,386	1,467,660
Total liabilities	18,647,355	18,867,741
MINORITY INTEREST IN SUBSIDIARY	372,083	363,689
STOCKHOLDERS' EQUITY:		
Common stock - no par value; 10,000,000 shares authorized; 7,271,146 and 6,942,290 shares issued at June 30, 1997 and December 31, 1996, respectively	16,803,729	14,184,975
Retained earnings	8,792,264	8,316,237
Foreign currency translation adjustment	(291,490)	(14,089)
Total stockholders' equity	25,304,503	22,487,123
TOTAL	$44,323,941	$41,718,553

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 1997 and 1996 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
SALES	$ 15,326,070	$12,652,128	$ 29,159,213	$ 24,782,143
COST OF SALES	9,423,324	7,431,664	17,875,177	14,444,334
GROSS MARGIN	5,902,746	5,220,464	11,284,036	10,337,809
OPERATING EXPENSES:				
Selling, general and administrative	3,928,977	3,621,522	7,768,415	7,039,554
Research and development	1,165,286	575,469	2,075,339	1,191,313
TOTAL	5,094,263	4,196,991	9,843,754	8,230,867
INCOME FROM OPERATIONS	808,483	1,023,473	1,440,282	2,106,942
OTHER EXPENSE	230,772	184,132	410,305	346,746
INCOME BEFORE INCOME TAX EXPENSE	577,711	839,341	1,029,977	1,760,196
INCOME TAX EXPENSE	296,470	312,743	545,556	638,605
MINORITY INTEREST IN (INCOME) LOSS OF SUBSIDIARY	2,719	(40,140)	(8,394)	(102,686)
NET INCOME	$ 283,960	$ 486,458	$ 476,027	$ 1,018,905
NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE	$ 0.04	$ 0.07	$ 0.07	$ 0.15
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	7,334,727	7,107,358	7,194,421	7,024,424

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1997 and 1996 (Unaudited)

	June 30, 1997	June 30, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 476,027	$ 1,018,905
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,242,618	1,204,057
Bad debt expense	61,130	14,143
(Gains) losses on sales and abandonment of property and equipment	(3,477)	2,150
Amortization of deferred credit	(20,972)	
Deferred income taxes	12,368	(44,002)
Minority interest in income of subsidiary	8,394	102,686
Changes in operating assets and liabilities net of effects from purchase of UMI:		
Trade receivables	(1,130,098)	(665,769)
Employee and related party receivables	36,322	34,742
Irish Development Agency grant receivable	(164,437)	(119,100)
Inventories	116,521	(828,754)
Prepaid expenses	(279,779)	(300,761)
Deposits and other	(71,340)	8,466
Trade payables	(406,597)	(482,957)
Accrued expenses	(220,470)	462,973
Advances from employees	(30,460)	43,044
Income taxes	409,936	49,040
Other	(277,401)	(39,163)
Total adjustments	(717,742)	(559,205)
Net cash provided by (used in) operating activities	(241,715)	459,700
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment	(1,044,906)	(1,230,254)
Cash payment in connection with assets purchased from UMI	(59,736)	
Intangible assets	(112,854)	(326,888)
Proceeds from the sale of property and equipment	18,588	
Net cash used in investing activities	(1,198,908)	(1,557,142)

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See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND 1996 (Unaudited)

	June 30, 1997	June 30, 1996
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from:		
Deferred credit		320,404
Line of credit	272,771	
Issuance of common stock	1,118,754	704,801
Long-term debt		2,200,000
Principal payments on:		
Long-term debt	(659,821)	(689,833)
Line of credit		(1,245,256)
Deferred credit	(17,367)	(34,734)
Net cash provided by financing activities	714,337	1 ,255,382
NET INCREASE (DECREASE) IN CASH	(726,286)	157,940
CASH AT BEGINNING OF PERIOD	1,262,950	270,841
CASH AT END OF PERIOD	$ 536,664	$ 428,781
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest (including capitalized interest of $63,338 and $85,291, respectively)	$ 461,352	$ 315,065
Income taxes	$ 123,252	$ 633,567

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:

During the six months ended June 30, 1997 and 1996 the Company issued notes payable totaling $278,216 and $1,345,830 respectively, for manufacturing equipment, furniture and fixtures, land and building.

The Company purchased certain assets from an unrelated company, Universal Medical Instruments (UMI), during the six months ended June 30, 1997. In connection with this transaction, the following assets were recorded:

Inventory	$ 673,844
Property and equipment	259,354
	933,198
Purchase price-consisting of 152,424 shares of the Company's common stock valued at $1,500,000 and $59,736 in cash	1,559,736
Cost in excess of the fair value of assets acquired	$ 626,538

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 the financial position of the Company as of June 30, 1997 and December 31, 1996, and the results of its operations and cash flows for the three and six months ended June 30, 1997 and 1996. The results of operations for the three and six months ended June 30, 1997 and 1996 are not necessarily indicative of the results for a full year period.

2. Inventories. Inventories at June 30, 1997 and December 31, 1996 consisted of the following:

	June 30, 1997	December 31, 1996
Raw materials	$ 4,704,880	$4,025,497
Work-in-process	4,960,135	3,806,150
Finished goods	4,744,668	6,020,713
Total	$ 14,409,683	$13,852,360

3. Income Taxes. The effective tax for the three and six months ended June 30, 1997, 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% statutory rate.

4. Recently Issued Financial Accounting Standards. In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings per Share". This standard established standards for computing and presenting earnings per share (EPS). SFAS No. 128 simplifies the approach for computing earnings per share previously found in Accounting Principles Board Opinion (APB) Opinion No. 15. It replaces the presentation of primary EPS with a presentation of basic EPS. It also requires dual presentation of basic and diluted EPS on the face of the income statement for all entities with complex capital structures. Under the new statement basic EPS excludes dilution and is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Diluted EPS is computed similarly to fully diluted EPS pursuant to APB Opinion No. 15. SFAS No. 128 is effective for financial statements issued for periods ending after December 15, 1997, including interim periods with earlier application not permitted. The computation of basic EPS under SFAS No. 128 would have resulted in net income per common share of $ .04 and $.07 for three and six months ended June 30, 1997, respectively. Diluted EPS computed under FASB No. 128 would have resulted in net income per common share of $ .04 and $.07 for the three and six months ended June 30,1997, respectively.

In June 1997, the FASB issued SFAS No. 130 "Reporting Comprehensive Income" which 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. SFAS No. 130 requires that all items to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. It does not require a specific format for that financial statement but requires that an enterprise display an amount representing total comprehensive income for the period in that financial statement. SFAS No. 130 is effective for fiscal years beginning after December 15, 1997. Reclassification of financial statements for earlier periods provided for comparative purposes is required. The impact on the Company of the adoption of SFAS 130 has not yet been fully determined.

In June 1997, the FASB issued SFAS No. 131 "Disclosures About Segments of an Enterprise and Related Information" which establishes standards for the way that public businesses report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. SFAS No. 131 also establishes standards for related disclosures about products and services, geographical areas, and major customers. It supersedes SFAS No. 14 but retains the requirement to report information about major customers. It amends SFAS No. 94 to remove the special disclosure requirements for previously unconsolidated subsidiaries. SFAS No. 131 is effective for financial statements for periods beginning after December 15, 1997. In the initial year of application, comparative information for earlier years is to be restated. It need not be applied to interim financial statements in the initial year of its application, but comparative information for interim periods in the initial year of application is to be reported in financial statements for interim periods in the second year of application. The adoption of SFAS No. 131 will result in additional disclosures but is not expected to have a material impact on the Company's results of operations or financial condition.

MERIT MEDICAL SYSTEMS, INC.

ITEM 2:

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

Operations. The Company achieved significant increases in sales for the three and six months ended June 30, 1997 compared to the same periods in 1996. The following table sets forth certain operational data as a percentage of sales for the three and six months ended June 30, 1997 and 1996.

	Three Months Ended June 30		Six Months Ended June 30	
	1997	1996	1997	1996
Sales	100.0%	100.0%	100.0%	100.0%
Gross Margin	38.5	41.3	38.7	41.7
Selling, General and Administrative	25.6	28.6	26.6	28.4
Research & Development	7.6	4.5	7.1	4.8
Income From Operations	5.3	8.1	4.9	8.5
Other Expense	1.5	1.5	1.4	1.4
Net Income	1.9	3.8	1.6	4.1

Sales. Sales for the second quarter of 1997 ended June 30 were $15,326,070 compared to $12,652,128 for the same period last year, which represents a gain of 21 percent. The Company's custom kit business grew by 18 percent during the three-month period compared to the quarter ended June 30, 1996, while sales of other devices including inflation devices, syringes, manifolds and needles grew by 28 percent. Growth in all segments reflects continued market share gains and acceptance of the Company's products, as well as procedural growth, particularly in foreign markets. The Company's first product from the acquisition of Universal Medical Instruments (UMI), introducer needles, has been well received, with sales on an annualized basis approaching $1.5 million. Sales from international operations rose by 23 percent for the three-month period compared to the prior year's same quarter. These sales represented 22 percent of total sales for the second quarter compared with 10 percent of total sales for the prior year's same period. For the six-month period ended June 30, 1997 total sales were $29,159,213 compared with $24,782,143 for the same period in 1996, a gain of 18 percent. These gains were led by sales of the Company's manifold devices, which rose 57 percent and stopcocks, which grew by 133 percent, while custom kits grew by 9 percent. International sales were up 22 percent over the prior year's period, and accounted for 23 percent of the Company's total revenue mix compared with 22 percent of total revenues last year.

Gross Margin. Gross margin as a percentage of sales for the second quarter of 1997 was 38.5% compared to 41.3% for the same period in 1996. For the six months ended June 30, 1997 gross margin was 38.7% as compared to 41.7% for the same period in 1996. The decrease in gross margin for the three and six months ended June 30, 1997 was primarily due to direct and indirect manufacturing labor costs, which included wage increases in response to competition for direct labor employees, price competition affecting several products, especially in European markets, and a strong U.S. dollar affecting the translation of its foreign European sales into U.S. dollars. Gross margin was also affected by startup and transition costs in the Company's newly organized Vascular Access Division and an expected decline in sales at Sentir, as Sentir's customers have been reducing inventories.

Operating Expenses. Operating expenses were 33.2% of sales for the three months ended June 30, 1997 and 1996. For the six months of 1997 operating expenses increased slightly to 33.8% as compared to 33.2% for the same period in 1996. Selling, general and administrative expenses as a percentage of sales declined to 25.6% and 26.6% for the three and six months ended June 30, 1997 compared to 28.6% and 28.4% for the same periods in 1996. The improvement was primarily due to economies of scale associated with increasing sales volumes and a continuous Company-wide focus on achieving greater individual productivity. Although selling, general and administrative expenses have declined, research and development costs have increased approximately $600,000 for the second quarter of 1997 compared to 1996. For the six months ended June 30, 1997 research and development increased approximately $900,00 compared with 1996. The substantial increase in research and development is part of the Company's long-term growth strategy of expanding its business to new market segments within cardiology and radiology with a view to increasing sales, margins and profitability.

Operating Income. During the quarter ended June 30, 1997, the Company reported income from operations of $808,483 compared to $1,440,282, for the comparable period in 1996. Operating income for the first six months of 1997 was $1,203,473 vs. $2,106,942 for the same period in 1996. The decrease in earnings for the three and six months ended June 30, 1997 was attributable to the investment in research and development, lower gross margins, increased production costs in Europe for the release of a PTCA guidewire, and the transition to a direct sales force in Canada, the Netherlands, Belgium and Luxemburg.

Liquidity and Capital Resources. At June 30, 1997, the Company's working capital was $14.1 million which represented a current ratio of 2.2 to 1. During 1995, the Company increased an available secured bank line of credit to $8.5 million and obtained $2.2 million in term debt which was drawn down in February, 1996. The line of credit bears interest at .25 percent over the bank's prime rate and contains various conditions and restrictions. At June 30, 1997, the outstanding balance under the line of credit was $4.8 million. 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 source 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.

PART II - OTHER INFORMATION

Item: 4 Submission of Matters to a Vote of Security Holders

The Company held its Annual Meeting of Shareholders (the "Annual Meeting") on May 21, 1997 in South Jordan Utah. The following items of business were considered at the Annual Meeting:

A: Election of Directors

Six persons were elected as members of the Board of Directors to serve until the next annual meeting in 1998 or until their respective successors have been duly elected and qualified. They are as follows:

	Shares Voted For
Fred P. Lampropoulos	5,475,334
Kent W. Stanger	5,475,334
Rex C. Bean	5,475,334
Richard W. Edelman	5,475,334
James Ellis	5,475,334
Michael Stillabower	5,475,334

B. Amendment of the Company's Articles of Incorporation to classify the Board of Directors into three classes and to provide for staggered terms.

A proposal to amend the Company's Articles of Incorporation to classify the Board of Directors into three classes and to provide for staggered terms was presented at the Annual Meeting and such proposal was approved by the shareholders of the Company. The number of shares voted for such proposal was 3,161,677. The number of shares voted against such proposal was 970,848. The number of shares abstaining from voting or broker non votes was 1,043,445.

C. Amendment of the Company's Articles of Incorporation to increase the number of shares of capital stock which the Company is authorized to issue from 10,000,000 shares of Common Stock to 25,000,000 shares of capital stock, including 20,000,000 shares of Common Stock and 5,000,000 shares of Preferred Stock.

A proposal to amend the Company's Articles of Incorporation to increase the number of shares of capital stock which the Company is authorized to issue from 10,000,000 shares of Common Stock to 25,000,000 shares of capital stock was presented at the Annual Meeting and such proposal was approved by the shareholders of the Company. The number of shares voted for the proposal was 2,962,020. The number of shares voted against such proposal was 977,908. The number of shares abstaining from voting or broker non votes was 1,126,521.

D. Selection of Auditors.

A proposal to ratify the appointment of Deloitte & Touche LLP as the independent auditor of the Company for 1997 was presented at the Annual Meeting and such proposal was approved by the shareholders of the Company. The number of shares voted for the proposal was 5,730,470. The number of shares voted against such proposal was 4,450. The number of shares abstaining from voting was 16,777.

PART II - OTHER INFORMATION

ITEM 6: Exhibits and Reports on Form 8-K

(a) Reports on Form 8-K - none
(b) Exhibits

S - K No.	Description	Exhibit No.
3	Articles of Incorporation as Amended	1
27	Financial Data Schedule	2

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: AUGUST 12, 1997
FRED P. LAMPROPOULOS
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Date: AUGUST 12, 1997
KENT W. STANGER
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

ARTICLES OF AMENDMENT

TO

ARTICLES OF INCORPORATION

OF

MERIT MEDICAL SYSTEMS, INC.

Pursuant to the provisions of the Utah Revised Business Corporation Act, the undersigned corporation (the "Corporation") hereby adopts the following Articles of Amendment to its Articles of Incorporation:

I.

The name of the corporation is Merit Medical Systems, Inc.

II.

The following Amendments to the Articles of Incorporation were adopted by the shareholders of the Corporation on May 21, 1997 in the manner prescribed by the Utah Revised Business Corporation Act:

A. Article IV of the Articles of Incorporation is hereby amended to read as follows:

ARTICLE IV
AUTHORIZED SHARES

The total number of shares of capital stock which the corporation shall have authority to issue is 25 million (25,000,000) of which five million (5,000,000) shall be shares of preferred stock, no par value (hereinafter called "Preferred Stock") and 20 million (20,000,000) shall be shares of common stock, no par value (hereinafter called "Common Stock").

The designation, powers, preferences and relative, participating, optional or other special rights, and qualifications,

limitations or restrictions thereof, of each class of stock, and the express grant of authority to the board of directors to amend these Articles of Incorporation to fix the designation, powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of each share of Preferred Stock which are not fixed by these Articles of Incorporation, are as follows:

A. PREFERRED STOCK

1. Number; Series. The Preferred Stock may be issued in one or more series, from time to time, with each such series to have such designation, powers, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof, as shall be stated and expressed in an amendment to these Articles of Incorporation providing for the issue of such series. The board of directors of the corporation is hereby expressly vested with authority to amend the Articles of Incorporation, without shareholder action or approval, to: (a) create one or more series of Preferred Stock, fix the number of shares of each such series (within the total number of authorized shares of Preferred Stock available for designation as a part of such series), and designate and determine, in whole or part, the preferences, limitations, and relative rights of each series of Preferred Stock; (b) alter or revoke the preferences, limitations and relative rights granted to or imposed upon any wholly unissued series of Preferred Stock; or (c) increase or decrease the number of shares constituting any series of Preferred Stock (the number of shares of which was originally fixed by the board of directors)

either before or after the issuance of shares of the series, provided that the number may not be decreased below the number of shares of such series then outstanding, or increased above the total number of authorized shares of the Preferred Stock available for designation as a part of such series. Without limiting the foregoing, the authority of the board of directors with respect to each such series shall include, but not be limited to, the determination or fixing of the following:

(i) The distinctive designation and number of shares comprising such series, which number may (except where otherwise provided by the board of directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by like action of the board of directors;

(ii) The dividend rate of such series, the conditions and times upon which such dividends shall be payable, the relation which such dividends shall bear to the dividends payable on any other class or classes of stock or series thereof, or on the other series of the same class, and whether dividends shall be cumulative or noncumulative;

(iii) The conditions upon which the shares of such series shall be subject to redemption by the corporation and the times, prices and other terms and provisions upon which the shares of the series may be redeemed;

(iv) Whether or not the shares of the series shall be subject to the operation of retirement or sinking fund provisions to be applied to the purchase or redemption of such shares and, if such retirement or sinking fund be established, the annual amount thereof and the terms and provisions relative to the operation thereof;

(v) Whether or not the shares of the series shall be convertible into or exchangeable for shares of any other class or classes, with or without par value, or of any other series of the same class and, if provision is made for conversion or exchange, the times, prices, rates, adjustments and other terms and conditions of such conversion or exchange;

(vi) Whether or not the shares of the series shall have voting rights, in addition to the voting rights provided by law, and, if so, subject to the limitations hereinafter set forth, the terms of such voting rights;

(vii) The rights of the shares of the series in the event of voluntary or involuntary liquidation, dissolution or upon distribution of assets of the corporation;

(viii) Any other powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of the shares of such series, as the board of directors may deem advisable.

2. Dividends. The holders of the shares of Preferred Stock of each series shall be entitled to receive, when and as declared by the board of directors, out of the funds legally available

for the payment of dividends, dividends at the rate fixed by the board of directors for such series for the current period and, if cumulative, for all prior periods for which such dividends are cumulative.

Whenever, at any time, dividends on the then outstanding Preferred Stock as may be required with respect to any series outstanding shall have been paid or declared and set apart for payment on the then outstanding Preferred Stock, and after complying with respect to any retirement or sinking fund or funds for all applicable series of Preferred Stock, the board of directors may, subject to the provisions of the resolution or resolutions creating the series of Preferred Stock, declare and pay dividends on the Common Stock as provided in paragraph B.1. of this Article IV, and the holders of shares of Preferred Stock shall not be entitled to share therein, except as otherwise provided in the amendment creating any series.

3. Liquidation; Dissolution. The holders of the Preferred Stock of each series shall be entitled upon liquidation or dissolution of the corporation to such preferences as are provided in the amendment creating such series of Preferred Stock, and no more, before any distribution of the assets of the corporation shall be made to the holders of shares of the Common Stock. Whenever the holders of shares of the Preferred Stock shall have been paid the full amounts to which they shall be entitled, the holders of shares of the Common Stock shall be entitled to share in all assets of the corporation remaining as provided in paragraph B.2. of this Article IV. If, upon such liquidation, dissolution or winding up, the assets of the corporation distributable as aforesaid among the holders of Preferred Stock of all series shall be insufficient to permit full payment to them of said preferential amounts, then such assets shall be distributed ratably among such holders in proportion to the respective total amounts which they shall be entitled to receive as provided in this paragraph 3.

4. Voting. Except as otherwise provided by an amendment to the Articles of Incorporation creating any series of Preferred Stock or by the general corporation law of Utah, the Common Stock issued and outstanding shall have and possess the exclusive power to vote for the election of directors and for all other purposes as provided in paragraph B.3. of this Article IV.

5. Preemptive Rights. Except as may be provided in the amendment adopted by the board of directors providing for the issue of any series of Preferred Stock, no holder of shares of the Preferred Stock of the corporation shall, as such holder, be entitled as of right to subscribe for, purchase or receive any part of any new or additional issue of stock of any class, whether now or hereafter authorized, or of bonds, debentures or other securities convertible into or exchangeable for stock, but all such additional shares of stock of any class, or bonds, debentures or other securities convertible into or exchangeable for stock, may be issued and disposed of by the board of directors on such terms and for such consideration, so far as may be permitted by law, and to such persons, as the board of directors in its absolute discretion may deem advisable.

B. COMMON STOCK

1. Dividends. Subject to the rights of the holders of Preferred Stock, and subject to any other provisions of the Articles of Incorporation, holders of Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the corporation as may be declared thereon by the board of directors from time to time out of assets or funds of the corporation legally available therefor.

2. Liquidation; Dissolution. In the event of any liquidation, dissolution or winding up of the affairs of the corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the corporation and after payment or provision for payment to the holders of each series of Preferred Stock of all amounts required in accordance with paragraph A.3. of this Article IV, the remaining assets and funds of the corporation shall be divided among and paid to the holders of Common Stock.

3. Voting.

(a) At every meeting of the shareholders every holder of Common Stock shall be entitled to one vote in person or by proxy for each share of such Stock standing in his name on the stock transfer records of the corporation.

(b) No shareholder shall have the right to cumulate votes in the election of directors.

4. Preemptive Rights. No holder of shares of Common Stock of the corporation shall, as such holder, be entitled as of right to subscribe for, purchase or receive any part of any new or additional issue of stock of any class, whether now or hereafter authorized, or of bonds, debentures or other securities convertible into or exchangeable for stock, but all such additional shares of stock of any class, or bonds, debentures or other securities convertible into or exchangeable for stock, may be issued and disposed of by the board of directors on such terms and for such consideration, so far as may be permitted by law, and to such persons, as the board of directors in its absolute discretion may deem advisable.

B. Article VI of the Articles of Incorporation is hereby amended to read as follows:

ARTICLE VI
DIRECTORS

The board of directors shall consist of such number of members, which number shall not be less than three and not more than nine as may be determined and established from time to time by the board of directors and shall be divided into three classes, as nearly equal in size as possible. No increase in the maximum number of members shall be made except upon the affirmative vote of not less than two-thirds of the outstanding capital stock of the corporation entitled to vote thereon. The initial terms of directors first elected or reelected by the shareholders after the adoption of this amendment and revision of the Articles of Incorporation shall be for the following terms of office:

Class A Directors - One Year

Class B Directors - Two Years

Class C Directors - Three Years

Upon the expiration of the initial term specified for each class of directors, their successors shall be elected for three-year terms or until such time as their successors shall be elected and qualified, with one class of directors to be elected each year.

Vacancies on the board of directors, whether the result of removal (with or without cause), death, resignation or otherwise, shall be filled by majority vote of the remaining members of the board of directors, regardless of whether such remaining members constitute a quorum.

The corporation shall nominate persons to serve as members of the board of directors upon the expiration of the term of each class of directors, which nominations shall be submitted to the shareholders at the annual meeting of shareholders for approval. Any nominations for election to the board of directors shall be received, with respect to any annual meeting of shareholders, not later than the date specified by the board of directors for submission of such nominations. Failure to submit timely nominations shall prevent consideration of the nominations at such annual shareholders' meetings.

Directors of the corporation may be removed "for cause" only upon the affirmative vote of the holders of a majority of the outstanding capital stock entitled to vote thereon. A director may be removed for cause only after a finding that (i) the director engaged in fraudulent or dishonest conduct or gross abuse of authority or discretion, with respect to the corporation and (ii) removal is in the best interests of the corporation. Directors of the corporation may be removed for any reason other than cause only upon the affirmative vote of the holders of not less than two-thirds of the outstanding capital stock of the corporation entitled to vote thereon.

III.

The number of shares of the capital stock of the Corporation outstanding and entitled to be cast on the foregoing Amendments by the shareholders of the Corporation was 7,239,681 shares of common stock (the "Common Stock"). No other class of shares was issued and outstanding.

IV.

The number of shares of the Common Stock voted for the Amendment to Article IV was 2,962,020 shares; 977,908 shares of the Common Stock were voted against such Amendment. The number of shares of the Common Stock voted for the Amendment to Article VI was 3,161,677 shares; 970,848 shares of the Common Stock were voted against such Amendment.

DATED this 12 day of June , 1997.

Merit Medical Systems, Inc., a Utah corporation

By: /s/ KENT W. STANGER

Kent W. Stanger, Chief Financial Officer,
Secretary and Treasurer

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