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, 2001

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 Park Way, 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	8,202,174
TITLE OR CLASS	Number of Shares Outstanding at August 13, 2001

MERIT MEDICAL SYSTEMS, INC.

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PART I. FINANCIAL INFORMATION PAGE

PART I - FINANCIAL INFORMATION

ITEM 1: Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2001 AND DECEMBER 31, 2000

ASSETS	June 30, 2001 (Unaudited)	December 31, 2000
CURRENT ASSETS:		
Cash and cash equivalents	$ 358,743	$ 412,384
Trade receivables - net	14,328,653	13,235,858
Employee and related party receivables	426,249	440,654
Irish Development Agency grant receivable		177,477
Inventories	22,304,636	25,273,428
Prepaid expenses and other assets	689,822	663,101
Deferred income tax assets	1,183,944	1,183,944
Income tax refund receivable	236,643	588,640
Total current assets	39,528,690	41,975,486
PROPERTY AND EQUIPMENT:		
Land	1,258,013	1,260,985
Building	1,500,000	1,500,000
Manufacturing equipment	21,247,530	19,696,550
Automobiles	91,332	131,036
Furniture and fixtures	9,660,975	9,576,084
Leasehold improvements	5,541,410	5,420,194
Construction-in-progress	2,144,254	2,120,671
Total	41,443,514	39,705,520
Less accumulated depreciation and amortization	(19,804,456)	(17,860,490)
Property and equipment - net	21,639,058	21,845,030
OTHER ASSETS:		
Intangible assets - net	2,571,559	2,522,384
Deposits	38,988	41,273
Cost in excess of the fair value of assets acquired-net	4,913,527	5,062,458
Total other assets	7,524,074	7,626,115
TOTAL ASSETS	$ 68,691,822	$ 71,446,631

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See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS (Continued)
JUNE 30, 2001 AND DECEMBER 31, 2000

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30, 2001 (Unaudited)	December 31, 2000
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 789,151	$ 1,091,725
Trade payables	4,798,606	4,835,517
Accrued expenses	4,878,572	3,471,039
Advances from employees	110,521	96,778
Income taxes payable	1,074,703	33,420
Total current liabilities	11,651,553	9,528,479
DEFERRED INCOME TAX LIABILITIES	2,262,657	2,177,833
LONG-TERM DEBT	14,755,086	24,011,778
DEFERRED CREDITS	882,865	955,839
Total Liabilities	29,552,161	36,673,929
STOCKHOLDERS' EQUITY:		
Preferred stock- 5,000,000 shares authorized as of June 30, 2001 and December 31, 2000, no shares issued		
Common stock- no par value; 20,000,000 shares authorized; 8,047,265 and 7,788,208 shares issued at June 30, 2001 and December 31, 2000, respectively	21,158,016	19,779,765
Retained earnings	18,662,293	15,617,075
Accumulated other comprehensive loss	(680,648)	(624,138)
Total stockholders' equity	39,139,661	34,772,702
TOTAL LIABILITIES AND STOCKHOLDERS	$ 68,691,822	$ 71,446,631

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2001 and 2000 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
NET SALES	$ 26,264,015	$ 23,552,859	$ 53,052,388	$ 45,633,294
COST OF SALES	16,837,858	15,936,620	34,406,857	30,383,055
GROSS PROFIT	9,426,157	7,616,239	18,645,531	15,250,289
OPERATING EXPENSES:				
Selling, general and administrative	6,158,130	5,688,793	12,164,203	12,027,332
Research and development	1,090,791	1,002,448	2,220,863	2,008,384
Severance costs	--	277,300	--	277,300
TOTAL OPERATING EXPENSES	7,248,921	6,968,541	14,385,066	14,313,016
INCOME FROM OPERATIONS	2,177,236	647,698	4,260,465	937,273
OTHER (INCOME) EXPENSE - NET	(467,492)	583,517	(31,425)	1,100,921
INCOME (LOSS) BEFORE INCOME TAXES	2,644,728	64,181	4,291,890	(163,648)
INCOME TAX EXPENSE (BENEFIT)	785,935	19,254	1,246,672	(49,093)
NET INCOME (LOSS)	$ 1,858,793	$ 44,927	$ 3,045,218	$ (114,555)
EARNINGS (LOSS) PER COMMON SHARE -				
Basic	$ 0.24	$ 0.01	$ 0.39	$ (0.01)
Diluted	$ 0.23	$ 0.01	$ 0.38	$ (0.01)
AVERAGE COMMON SHARES -				
Basic	7,895,260	7,747,976	7,845,595	7,685,444
Diluted	8,243,247	7,785,161	8,069,004	7,839,400

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000 (Unaudited)

	June 30, 2001	June 30, 2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 3,045,218	$ (114,555)
Adjustments to reconcile net income (loss) to net cash provided by (used in) in operating activities:		
Depreciation and amortization	2,248,160	2,171,968
Bad debt expense	124,558	449,793
(Gains) on sales and abandonment of property, equipment and land	(786,279)	(2,845)
Amortization of deferred credits	(68,912)	(65,800)
Deferred income taxes	84,824	36,817
Changes in operating assets and liabilities:		
Trade receivables	(1,217,353)	(1,652,767)
Employee and related party receivables	14,405	(22,770)
Other receivables		
Irish Development Agency grant receivable	173,415	(17,610)
Inventories	2,968,792	(193,327)
Prepaid expenses and other assets	(26,721)	(569,431)
Deposits	2,285	1,199
Trade payables	(36,911)	(299,402)
Accrued expenses	1,407,533	511,528
Advances from employees	13,743	(14,112)
Income taxes payable	1,393,280	(268,416)
Total adjustments	6,294,819	64,825
Net cash provided by (used in) operating activities	9,340,037	(49,730)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures for:		
Property and equipment	(1,693,544)	(2,585,817)
Intangible assets	(129,743)	(273,041)
Purchase of Electro Catheter assets (Including cost in excess of fair market value of $482,628)	--	(641,661)
Other	--	(22,688)
Proceeds from sale of property, equipment and land	938,303	2,279
Net cash used in investing activities	(884,984)	(3,520,928)

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000 (Unaudited)

	June 30, 2001	June 30, 2000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	$ 1,378,251	$ 1,084,337
Proceeds from long-term debt	--	3,255,263
Principal payments on long-term debt	(9,830,435)	(670,096)
Net cash provided by (used in) financing activities	(8,452,184)	3,669,504
EFFECT OF EXCHANGE RATES ON CASH	(56,510)	(52,916)
NET (DECREASE) INCREASE IN CASH	(53,641)	45,930
CASH AT BEGINNING OF PERIOD	412,384	668,711
CASH AT END OF PERIOD	$ 358,743	$ 714,641
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest (including capitalized interest of $44,738 and $61,731 respectively)	$ 804,396	$1 ,050,752
Income taxes	$ 120,565	$ 182,506

SUPPLEMENTAL DISCLOSURE OF NONCASH
INVESTING AND FINANCING ACTIVITIES:

During the six months ended June 30, 2001 and 2000, the Company issued notes payable totaling $271,169 and $509,963 respectively, for manufacturing equipment and furniture and fixtures.

See 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 June 30, 2001 and December 31, 2000, and the results of its operations and cash flows for the three and six months ended June 30, 2001 and 2000. The results of operations for the three and six months ended June 30, 2001 and 2000 are not necessarily indicative of the results for a full-year period.

2. Inventories. Inventories at June 30, 2001 and December 31, 2000 consisted of the following:

	June 30, 2001	December 31, 2000
Raw materials	$ 8,789,695	$ 8,325,314
Work-in-process	4,080,770	3,678,807
Finished goods	12,132,728	15,255,622
Less reserve for obsolete inventory	(2,698,557)	(1,986,315)
Total	$ 22,304,636	$ 25,273,428

3. Income Taxes. The Company has not fully allocated income tax expense between current and deferred for the quarters and six months ended June 30, 2001 and 2000. The effective tax rates for the three and six months ended June 30, 2001 and 2000 were below the 35 % federal statutory rate. Improvements in the effective tax rate below the 35 % federal statutory rate were largely the result of the Company's operations in Ireland which are currently taxed at a lower rate than the Company's overall effective tax rate, and increased research tax credits.

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. 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 June 30, 2001 and December 31, 2000, the cumulative effect of such transactions reduced stockholders' equity by $680,648 and $624,138, respectively. Comprehensive income (loss) for the three and six months ended June 30, 2001 and 2000 has been computed as follows:

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
Net income (loss)	$ 1,858,793	$ 44,927	$ 3,045,218	$ (114,555)
Foreign currency translation	(13,619)	(16,738)	(56,510)	(52,916)
Comprehensive income (loss)	$ 1,845,174	$ 28,189	$ 2,988,708	$ (167,471)

5. Recently Issued Financial Accounting Standards. Statement of Financial Accounting Standards No.133, Accounting for Derivative Instruments and Hedging Activities, as amended, requires that all derivative instruments be recognized as either assets or liabilities at fair market value. The Company adopted this statement beginning January 1, 2001. The effect on the Company's financial statements of adopting this statement was not significant.

On June 29, 2001, Statement of Financial Accounting Standards (SFAS) No. l41, "Business Combinations" was approved by the Financial Accounting Standards Board (FASB). SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Goodwill and certain intangible assets will remain on the balance sheet and not be amortized. On an annual basis, and when there is reason to suspect that their values have been diminished or impaired, these assets must be tested for impairment, and write-downs may be necessary. The Company is required to implement SFAS No. 141 on July 1, 2001 and it has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

On June 29, 2001, SFAS No. 142, "Goodwill and Other Intangible Assets" was approved by the FASB. SFAS No.142 changes the accounting for goodwill from an amortization method to an impairment-only approach. Amortization of goodwill, including goodwill recorded in past business combinations, will cease upon adoption of this statement. The Company is required to implement SFAS No. 142 on January 1, 2002 and it has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

ITEM 2:

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

Overview

Merit Medical Systems, Inc. is happy to report its best quarter and six months in history, with record revenues and earnings. Company sales increased over 16% for the second quarter 2001 compared to the second quarter of 2000, across most product lines, particularly kits and stand-alone products. The Company is pleased to report a continued positive momentum in manufacturing efficiencies and the resulting drop in costs per unit, particularly in our Salt Lake operations. This increase in both sales volume and manufacturing efficiencies has resulted in very favorable labor and overhead utilization as compared to first few months of 2000. Management believes that this trend toward lower costs per unit and higher gross margins will continue into the third and probably fourth quarters as the Company sells inventories produced in the last four or five months.

The Company also continues to leverage its operating expenses and is experiencing greater efficiencies in the sales, general and administrative areas of the Company. Merit is pleased to announce a significant reduction, of over $6 million since January, 2000 of its inventory, along with the associated benefits of lower inventory carrying costs. The Company's cash flow from operations continues to strengthen to record levels (over $9.3 million in cash flow from operations for the first six months of 2001), resulting in a decline of the Company's line of credit balance from $30.4 million at August 24, 2000 to $10.4 million as of August 8, 2001. Therefore, the Company has paid back the bank $20 million in less than twelve months. This lower debt, combined with falling interest rates, have resulted in a significant decrease in interest expense.

Management is pleased to report that the fundamental financial performance of the Company has dramatically improved over the last year in almost every area. Sales are up, productivity has increased, gross margins are improving, operating expenses are dropping as a percentage of sales and interest costs are down, resulting in much improved cash flow, net income, earnings per share.

Operations. The Company enjoyed it's best quarter, and six months in history, experiencing record revenues and earnings. The following table sets forth certain operational data as a percentage of sales for the three and six months ended June 30, 2001 and 2000:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Sales	100.0 %	100.0%	100.0%	100.0%
Gross Profit	35.9	32.3	35.1	33.4
Selling, general and administrative	23.4	24.2	22.9	26.4
Research and development	4.2	4.3	4.2	4.4
Income from Operations	8.3	2.7	8.0	2.1
Other Expense	(1.8)	2.5	(.1)	2.4
Net Income (Loss)	7.1	.2	5.7	(.3)

Sales. Sales for the three months ended June 30, 2001 were a record $26.3 million, compared to $23.6 million for the same period last year, which was the strongest quarter of 2000, representing an increase of 12 %. Merit's increased sales were fueled by growth in stand-alone products which grew by 19%, custom kits up 19% and inflation devices which grew at 13 %. For the six-month period ended June 30, 2001 total sales were a record $53.1 million compared with $45.6 million for the same period in 2000, an increase of 16 %. Growth in sales for the six-month period were attributable to growth in Custom kits by 25% as well as stand-alone products which grew by 21 %, and inflation devices which grew at 14 %. Catheter sales declined in the quarter and six months ended June 30, 2001 compared to the same periods of 2000 by 21% and 7% respectively. This comparative decline was mainly due to a sizable increase in catheter sales in the 2nd quarter of last year because of a catheter recall by the company's largest competitor.

Gross Margin. Gross margin as a percentage of sales for the three months ended June 30, 2001 was 35.9% compared to 32.3% for the same period in 2000. For the six months ended June 30, 2001, gross margin was 35.1%, as compared to 33.4% for the same period in 2000. The increase in gross margin for the three and six months ended June 30, 2001 was primarily the result of lower costs per unit for both labor and overhead than a year ago. The Company is benefiting from an almost 20% reduction in head count and inventory, while growing the top line by over 17% in 2000 and over 16% so far in 2001. This positive momentum for gross margins will continue into the 3rd quarter as Merit sells this lower cost product manufactured in March through June of 2001.

Operating Expenses. Operating expenses decreased as a percentage of sales to 27.6% of sales for the three months ended June 30, 2001, compared to 29.6% for the three months ended June 30, 2000. For the first six months of 2001 operating expenses decreased to 27.1% as compared to 31.4% for the same period in 2000. Selling, general and administrative expenses decreased as a percentage of sales to 23.4% and 24.2% for the three and six months ended June 30, 2001, respectively, compared to 22.9% and 26.4%,respectively, for the comparable periods in 2000. The decrease as a percentage of sales in operating expenses for the three and six months ended June 30, 2001, were due mainly to becoming more efficient by holding the line on expenses, combined with a significant increase in sales. Research and development costs increased slightly but declined to 4.2% of sales for the three months ended June 30, 2001, compared to 4.3% for the same period in 2000. For the six months ended June 30, 2001, research and development expenditures decreased to 4.2% of sales, down from 4.4% of sales for the six months ended June 30, 2000.

Operating Income. During the three months ended June 30, 2001, the Company reported income from operations of $2.2 million compared to $.6 million for the comparable period in 2000. Operating income for the first six months of 2001 was $4.3 million, compared to $.9 million in 2000. Net income for the three months ended June 30, 2001 increased to a record $1.9 million, from $44,927, for the same three-month period of 2000, and net income for the 6 months ended June 30, 2001, grew to a record $3.0 million, compared to a net loss of $114,555 for the first half of 2000.

Liquidity and Capital Resources. At June 30, 2001, the Company's working capital was $27.9 million, which represented a current ratio of 3.4 to 1. At June 30, 2001, the outstanding balance under the line of credit was $13.9 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 sources of funding for these and other expenses has been the cash generated from operations, secured loans on equipment and bank lines of credit and the sale of equity. The Company believes that its present sources of liquidity and capital are adequate for its current operations.

Forward-Looking Statements. This Report includes "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange of 1934, as amended. All statements other than statements of historical fact are "Forward-Looking Statements" for purpose 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. All Forward-Looking Statements included in this document are made as of the date hereof and are based on information available to Merit as of such date. Merit assumes no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "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. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including market acceptance of the Company's products, timing and acceptance of product introductions, potential product recalls, delays in obtaining regulatory approvals, cost increases, fluctuations in and obsolescence of inventory, price and product competition, availability of labor and materials, development of new products and techniques that render the Company's products obsolete, foreign currency fluctuation, 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 person acting on its behalf are expressly qualified in their entirety by these cautionary statements.

ITEM 3:

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Company principally hedges the following EURO currencies: Belgian Francs, French Francs, German Marks, Dutch Gilders, and Irish Pounds. The Company enters into forward foreign exchange contracts to protect the Company from the risk that the eventual net dollar cash flows resulting from transactions with foreign customers and suppliers may be adversely affected by changes in currency exchange rates. Such contracts are not significant to financial results of the Company.

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 23, 2001 in South Jordan, Utah. The following items of business were considered at the Annual Meeting:

A: Election of Directors

Two persons were elected as members of the Board of Directors to serve three-year terms. They are as follows:

	Shares Voted For	Withhold
James J. Ellis	6,448,788	126,422
Michael E. Stillabower, M.D.	6,448,140	127,070

B. To Approve the Adoption of the Medical Services Non-Qualified Employee Stock Purchase Plan

A proposal to adopt the Merit Medical Service Non-qualified Employee Stock Purchase Plan was approved by the shareholders of the Company. The number of shares voted for the plan was 6,329,157. The number of shares voted against the plan was 216,098. The number of shares abstaining from voting on was 29,955.

C. Selection of Auditors.

A proposal to ratify the appointment of Deloitte & Touche LLP as the independent auditor of the Company for fiscal 2001 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 6,462,942. The number of shares voted against such proposal was 4,035 The number of shares abstaining from voting was 108,233.

PART II - OTHER INFORMATION

ITEM 6: Exhibits and Reports on Form 8-K

(a) Reports on Form 8-K - none
(b) Exhibits - 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: AUGUST 13, 2001 By: /s/ Fred P.Lampropoulos
FRED P. LAMPROPOULOS
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Date: AUGUST 13, 2001 By: /s/ Kent W. Stanger
KENT W. STANGER
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER