

18United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2008

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 000-23661

ROCKWELL MEDICAL TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

MICHIGAN

(State or other jurisdiction of
incorporation or organization)

38-3317208

(I.R.S. Employer
Identification No.)

30142 Wixom Road, Wixom, Michigan

(Address of principal executive offices)

48393

(Zip Code)

(248) 960-9009

(Registrant's telephone number, including area code)

(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 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. (Check one):

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Class

Outstanding as of July 31, 2008

Common Stock, no par value

13,834,953 shares

Rockwell Medical Technologies, Inc.
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
As of June 30, 2008 and December 31, 2007

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
	<u>(Unaudited)</u>	
ASSETS		
Cash and Cash Equivalents	\$ 9,735,902	\$ 11,097,092
Accounts Receivable, net of a reserve of \$82,000 in 2008 and \$69,000 in 2007	4,352,087	4,687,229
Inventory	2,712,486	2,559,051
Other Current Assets	458,715	302,573
Total Current Assets	<u>17,259,190</u>	<u>18,645,945</u>
Property and Equipment, net	3,179,529	2,840,331
Intangible Assets	256,021	270,446
Goodwill	920,745	920,745
Other Non-current Assets	148,636	125,667
Total Assets	<u>\$ 21,764,121</u>	<u>\$ 22,803,134</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes Payable & Capitalized Lease Obligations	\$ 192,466	\$ 194,239
Accounts Payable	3,195,379	2,982,899
Accrued Liabilities	1,358,996	1,122,737
Customer Deposits	362,189	337,396
Total Current Liabilities	<u>5,109,030</u>	<u>4,637,271</u>
Long Term Notes Payable & Capitalized Lease Obligations	101,467	204,837
Shareholders' Equity:		
Common Shares, no par value, 13,834,953 and 13,815,186 shares issued and outstanding	33,976,532	33,415,106
Common Share Purchase Warrants, 1,394,169 and 1,204,169 warrants issued and outstanding	3,389,760	3,038,411
Accumulated Deficit	<u>(20,812,668)</u>	<u>(18,492,491)</u>
Total Shareholders' Equity	<u>16,553,624</u>	<u>17,961,026</u>
Total Liabilities And Shareholders' Equity	<u>\$ 21,764,121</u>	<u>\$ 22,803,134</u>

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED INCOME STATEMENTS

For the three and six months ended June 30, 2008 and June 30, 2007
(Unaudited)

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Sales	\$ 12,182,336	\$ 10,548,243	\$ 24,594,373	\$ 20,022,625
Cost of Sales	11,090,558	9,431,207	22,645,294	18,988,308
Gross Profit	1,091,778	1,117,036	1,949,079	1,034,317
Selling, General and Administrative	1,439,735	797,787	2,869,487	1,523,446
Research and Product Development	781,743	761,539	1,564,456	1,584,059
Operating (Loss)	(1,129,700)	(442,290)	(2,484,864)	(2,073,188)
Interest Expense (Income), net	(19,696)	34,335	(164,687)	49,951
Net (Loss)	\$ (1,110,004)	\$ (476,625)	\$ (2,320,177)	\$ (2,123,139)
Basic Earnings (Loss) per Share	(\$.08)	(\$.04)	(\$.17)	(\$.18)
Diluted Earnings (Loss) per Share	(\$.08)	(\$.04)	(\$.17)	(\$.18)

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2008 and June 30, 2007
(Unaudited)

	2008	2007
Cash Flows From Operating Activities:		
Net (Loss)	\$ (2,320,177)	\$ (2,123,139)
Adjustments To Reconcile Net Loss To Net Cash Used In Operating Activities:		
Depreciation and Amortization	393,837	393,186
(Gain) on Disposal of Assets	(4,161)	—
Warrants issued for Services	192,142	—
Stock Option Compensation	491,320	—
Changes in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	335,142	(1,209,514)
(Increase) in Inventory	(153,435)	(161,088)
(Increase) in Other Assets	(19,904)	(30,602)
Increase in Accounts Payable	212,480	335,959
Increase (Decrease) in Other Liabilities	261,052	(346,036)
Changes in Assets and Liabilities	635,335	(1,411,281)
Cash (Used) In Operating Activities	(611,704)	(3,141,234)
Cash Flows From Investing Activities:		
Purchase of Equipment	(714,449)	(674,292)
Cash (Used) In Investing Activities	(714,449)	(674,292)
Cash Flows From Financing Activities:		
Proceeds From Borrowings on Line of Credit	—	1,300,000
Issuance of Common Shares and Purchase Warrants	70,106	59,585
Payments on Notes Payable	(105,143)	(206,932)
Cash Provided (Used) By Financing Activities	(35,037)	1,152,653
(Decrease) In Cash	(1,361,190)	(2,662,873)
Cash At Beginning Of Period	11,097,092	2,662,873
Cash At End Of Period	\$ 9,735,902	\$ -0-
Supplemental Cash Flow disclosure		
	2008	2007
Interest Paid	\$30,995	\$55,935
Non-Cash Investing and Financing Activity —		
Equipment Acquired Under Capital Lease Obligations	-0-	\$31,257

The accompanying notes are an integral part of the consolidated financial statements

Rockwell Medical Technologies, Inc. and Subsidiary
Notes to Consolidated Financial Statements

1. Description of Business

We manufacture, sell and distribute hemodialysis concentrates and other ancillary medical products and supplies used in the treatment of patients with End Stage Renal Disease, or “ESRD”. We supply our products to medical service providers who treat patients with kidney disease. Our products are used to cleanse patients’ blood and replace nutrients lost during the kidney dialysis process. We primarily sell our products in the United States. References in these Notes to “the Company,” “we,” “our” and “us” are references to Rockwell Medical Technologies, Inc. and its subsidiaries.

We are regulated by the Federal Food and Drug Administration, or “FDA,” under the Federal Drug and Cosmetics Act, as well as by other federal, state and local agencies. We have received 510(k) approval from the FDA to market hemodialysis solutions and powders and to sell our Dri-Sate Dry Acid Concentrate product line and our Dri-Sate Mixer. We have also obtained global licenses for certain dialysis related drugs which we are developing and for which we are seeking FDA approval to market.

2. Summary of Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiary, Rockwell Transportation, Inc. All intercompany balances and transactions have been eliminated. The accompanying consolidated financial statements have been prepared using accounting principles generally accepted in the United States of America, or “GAAP,” and with the instructions to Form 10-Q and Securities and Exchange Commission Regulation S-X as they apply to interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The balance sheet at December 31, 2007 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements.

In the opinion of our management, all adjustments have been included which are necessary to make the financial statements not misleading. All of these adjustments that are material are of a normal and recurring nature. Our operating results for the three month and six month periods ended June 30, 2008 are not necessarily indicative of the results to be expected for the year ending December 31, 2008. You should read our unaudited interim financial statements together with the financial statements and related footnotes for the year ended December 31, 2007 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 includes a description of our significant accounting policies.

Revenue Recognition

We recognize revenue at the time we transfer title to our products to our customers consistent with GAAP. Generally, we recognize revenue when our products are delivered to our customer’s location consistent with our terms of sale. We recognize revenue for international shipments when title has transferred consistent with standard terms of sale.

We require certain customers, mostly international customers, to pay for product prior to the transfer of title to the customer. Deposits received from customers and payments in advance for orders are recorded as liabilities under Customer Deposits until such time as orders are filled and title transfers to the customer consistent with our terms of sale. At June 30, 2008 and December 31, 2007, we had customer deposits of \$362,189 and \$337,396, respectively.

[Table of Contents](#)**Research and Product Development**

We recognize research and product development costs as expenses are incurred. We incurred product development and research costs related to the commercial development, patent approval and regulatory approval of new products, including iron supplemented dialysate (SFP), aggregating approximately \$1,564,000 and \$1,584,000 in the first six months of 2008 and 2007, respectively. We are conducting human clinical trials on SFP and we recognize the costs of these clinical trials as the costs are incurred and services are performed over the duration of the trials.

Net Earnings Per Share

We computed our basic earnings (loss) per share using weighted average shares outstanding for each respective period. Diluted earnings per share also reflect the weighted average impact from the date of issuance of all potentially dilutive securities, consisting of stock options and common share purchase warrants, unless inclusion would have had an anti-dilutive effect. Actual weighted average shares outstanding used in calculating basic and diluted earnings per share were:

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Basic Weighted Average Shares Outstanding	13,826,208	11,515,428	13,821,812	11,508,103
Effect of Dilutive Securities	—	—	—	—
Diluted Weighted Average Shares Outstanding	<u>13,826,208</u>	<u>11,515,428</u>	<u>13,821,812</u>	<u>11,508,103</u>

3. Inventory

Components of inventory as of June 30, 2008 and December 31, 2007 are as follows:

	June 30, 2008	December 31, 2007
Raw Materials	\$ 1,099,072	\$ 1,096,191
Finished Goods	1,613,414	1,462,860
Total Inventory	<u>\$2,712,486</u>	<u>\$ 2,559,051</u>

4. Line of Credit

As a result of our strong cash position coupled with our intention to negotiate a broader credit agreement to cover our borrowing requirements related to business development and expansion, we allowed our current line of credit to expire on April 1, 2008. We expect to negotiate a new working capital and equipment financing arrangement this year.

5. Fair Value Measurements

On January 1, 2008, the Company adopted the methods of fair value as described in Statement of Financial Accounting Standards, or "SFAS", No. 157, "Fair Value Measurements" ("SFAS 157") to value its financial assets and liabilities. The adoption of the provisions of this pronouncement related to financial assets and liabilities did not have a material impact on our financial condition or consolidated results of operation. As defined in SFAS 157, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, SFAS 157 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

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- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. The Company's cash and cash equivalents are valued using Level 1 inputs in the fair value hierarchy as these short term investments are immediately available at the Company's direction and without market risk to principal. The Company does not have other financial assets that would be characterized as Level 2 or Level 3 assets.

SFAS 157 is effective for non-financial assets and liabilities for the year beginning January 1, 2009. We are currently assessing the impact of this pronouncement as it relates to non-financial assets and liabilities.

The Company chose not to elect the fair value option as prescribed by SFAS No. 159, "The Fair Value Option for Financial Assets and Liabilities Including an Amendment of Financial Accounting Standards Board, or "FASB", Statement No. 115" ("SFAS 159") for its financial assets and liabilities that had not been previously carried at fair value. Therefore, material financial assets and liabilities not carried at fair value, such as the Company's trade accounts receivable and payable are still reported at their face values.

Although the Company has not elected the fair value option for financial assets and liabilities existing at January 1, 2008 or transacted in the six months ended June 30, 2008, any future transacted financial asset or liability will be evaluated for the fair value election as prescribed by SFAS 159 and valued under the provisions of SFAS 157.

6. Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS 141R"). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for fiscal years beginning after December 15, 2008, and will be adopted by the Company in the first quarter of 2009. We do not expect the adoption of SFAS 141R to have a material effect on our consolidated results of operations and financial condition.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and the Notes thereto included elsewhere in this report. References in this report to "we," "our" and "us" are references to Rockwell Medical Technologies, Inc. and its subsidiaries.

Forward Looking Statements

The discussion that follows contains certain forward-looking statements, including without limitation statements relating to our anticipated future financial condition, operating results, cash flows and our business plans, as well as the timing and cost of obtaining FDA approval of our new SFP product. Also, when we use words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "projected," "intend" or similar expressions, or make statements regarding our intent, belief, or current expectations, we are making forward-looking statements.

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These forward-looking statements represent our outlook only as of the date of this report. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all of our forward-looking statements. While we believe that our forward-looking statements are reasonable, you should not place undue reliance on any such forward-looking statements, which are based on information available to us on the date of this report. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond our control or are subject to change, actual results could be materially different. Factors that might cause such a difference include, without limitation, the risks and uncertainties discussed in this report and from time to time in our other reports filed with the Securities and Exchange Commission, including, without limitation, in “Item 1A — Risk Factors” in our Form 10-K for the year ended December 31, 2007 and the following:

- The dialysis provider market is highly concentrated in national and regional dialysis chains that account for the majority of our domestic revenue. Our business is substantially dependent on one of our customers that accounts for a substantial portion of our sales. The loss of this customer would have a material adverse effect on our results of operations and cash flows.
- We operate in a very competitive market against substantially larger competitors with greater resources.
- Our new drug product requires FDA approval and expensive clinical trials before it can be marketed.
- Even if our new drug product is approved by the FDA it may not be successfully marketed.
- We depend on government funding of healthcare.
- We may not be successful in improving our gross profit margins and our business may remain unprofitable.
- Orders from our international distributors may not result in recurring revenue.
- We depend on key personnel.
- Our business is highly regulated.
- Foreign approvals to market our new drug products may be difficult to obtain.
- Health care reform could adversely affect our business.
- We may not have sufficient cash to fund clinical trials and drug approval efforts in future years.
- We may not have sufficient product liability insurance.
- Our Board of Directors is subject to potential deadlock.
- Shares eligible for future sale may affect the market price of our common shares.
- The market price of our securities may be volatile.
- Voting control and anti-takeover provisions reduce the likelihood that you will receive a takeover premium.
- We do not anticipate paying dividends in the foreseeable future.

Other factors not currently anticipated may also materially and adversely affect our results of operations, cash flows and financial position. There can be no assurance that future results will meet expectations. We do not undertake, and expressly disclaim, any obligation to update or alter any statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Overview and Recent Developments

We operate in a single business segment, the manufacture and distribution of hemodialysis concentrates, dialysis kits and ancillary products used in the kidney dialysis process. We have gained domestic market share each year since our inception in 1996. Our strategy is to continue to develop and expand our dialysis products business while at the same time developing new products, including pharmaceutical products for this market.

Our strategy is also to expand the geographic footprint of our business in North America. We realized a unique business opportunity to do so in the last quarter of 2006 and the first quarter of 2007 due to the exit of one of our competitors, Gambro Healthcare, Inc., or “Gambro”, from the market. Concurrent with Gambro’s withdrawal from the concentrate business, we began to service many of the chain and independent clinics serviced by Gambro, including many clinics owned by DaVita, Inc., the second largest dialysis provider in the United States. As a result, during 2007, the number of clinics we service increased by over 50%. Largely as a result of the increase in serviced clinics, our sales increased by over 50% in 2007 compared to 2006 and by 22.8% in the first six months of 2008 compared to the first six months of 2007.

We intend to continue to increase the size of our customer portfolio in order to expand our production and distribution operations into regions where we previously had business but no production facility. We believe this strategic initiative will ultimately lead to efficiencies and economies of scale, and will position us for an adequate and sustainable return on investment. We anticipate that we will continue to gain domestic market share, though not as dramatically as in 2007.

As a result of the increase in sales volume and the increased geographic diversity of the clinics we serve, we took actions during the first quarter of 2007 to ensure adequacy of product supply and uninterrupted order fulfillment for the new business we added. We expanded and relocated one of our production facilities in a region where the additional business we acquired had outstripped our ability to properly supply, distribute and service the business. As a result of this relocation, we incurred costs aggregating approximately \$500,000 for physical relocation, extra labor, plant start-up expenses, distribution start-up expenses, inventory write-offs and dual facility operating costs during the start-up period. Although these costs are not expected to recur at this location, we expect to incur similar types of costs in other regions as we continue to adjust our production and distribution facilities to meet new or changing demand.

We continue to raise our average selling prices in 2008 to offset the higher costs of raw materials and fuel. While we raised prices on maturing contracts in 2007, we have not fully recovered the significant ongoing increases in fuel and key raw materials, which have generally reduced our gross profit margins. If we are successful in implementing price increases in 2008 and beyond, our gross profit margins may improve and increase the profitability of our core business operations. However, commodity markets, particularly diesel fuel and feedstock materials that are key raw materials and packaging components, continue to increase at higher than anticipated rates and may require higher than anticipated price increases. Increased operating costs that are subject to inflation, such as fuel and material costs, may not be recoverable through price increases to our customers if our competitors do not also raise prices. If we are not able to recover cost increases, it could materially adversely affect our gross profit, business, financial condition and results of operations. We generally enter into short and medium term contracts of one to two years for our major raw materials as feasible and we generally enter into customer contracts of one year or less duration to mitigate our exposure to raw material and other cost increases.

We could also experience changes in our customer and product mix in future quarters that could negatively impact gross profit, since we sell a wide range of products with varying profit margins and to customers with varying order patterns. These changes in mix may cause our gross profit and our gross profit margins to vary period to period. As we add business in certain markets and regions in order to increase the scale of our business operations, we may incur additional costs that are greater than the additional revenue generated from these initiatives until we have achieved a scale of operations that is profitable.

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The dialysis supply market is very competitive and is characterized by having a few dialysis providers treating the majority of patients in the United States. We compete against companies which have substantially greater resources than we have. Our revenue is highly concentrated in a few customers and the loss of any of those customers would adversely affect our results. However, we expect to continue to grow our business while executing our strategic plan to expand our product lines, to expand our geographic reach and to develop our proprietary technology, which may include adding facilities and personnel to support our growth.

While the majority of our business is with domestic clinics that order routinely, certain major distributors of our products internationally have not ordered consistently, resulting in variation in our sales from period to period. We anticipate that we will realize substantial orders from time to time from our largest international distributors but we expect the size and frequency of these orders to fluctuate from period to period. These orders may increase in future quarters or may not recur at all.

We are seeking to gain FDA approval for SFP, our iron supplemented dialysate product. We believe our SFP product, which has a unique method of action and other substantive benefits compared to current treatment options, has the potential to compete in the iron maintenance therapy market. The cost to obtain regulatory approval for a drug in the United States is expensive and the approval process can take several years. Due to the significant expenditures expected over the next several years, we expect to incur losses during the approval process.

Results of Operations for the Three and Six Months Ended June 30, 2008 and June 30, 2007

Sales

Sales in the second quarter of 2008 were \$12.1 million, an increase of \$1.6 million or 15.5% over the second quarter of 2007. Our sales growth was due to domestic market share growth coupled with higher product pricing. In 2007, we substantially increased our domestic market share following the exit of Gambro from our market. In both 2007 and 2008, we increased prices on maturing contractual arrangements due to rising fuel and material cost increases.

Sales of our dialysis concentrate product lines, which represented over 93% of our sales in the second quarter of 2008, increased approximately 15% in the second quarter of 2008 compared to the second quarter of 2007. Sales increased across all of our dialysis concentrate product lines, with 75% of our sales increase due to an increase in unit volumes and the remainder attributable to higher average selling prices compared to the second quarter of 2007.

Sales in the first six months of 2008 were \$24.6 million, which represented a \$4.6 million or 22.8% increase over the first six months of 2007. We increased our domestic market share with domestic sales 19% higher than the first six months of 2007. Overall, approximately 75% of our sales increase in the first six months of 2008 compared to 2007 has been due to unit volume growth with the remainder attributable to higher prices. International sales increased by 94% during the first six months of 2008 to \$1.9 million compared to the comparable period of 2007.

Gross Profit

Gross profit in the second quarter of each of 2008 and 2007 was \$1.1 million. Gross profit margins were 9.0% in the second quarter compared to 10.6% in the second quarter of 2007 with the decrease reflective of significantly higher costs for fuel, key raw material ingredients in our products and other operating costs that more than offsetting the effect of our price increases.

Gross profit for the first six months of 2008 was \$1.9 million, an increase of \$0.9 million compared to the first six months of 2007. Gross profit margins increased to 7.9% in the first half of 2008 compared to 5.2% in the first half of 2007. Improvement in gross profit was due to a combination of higher prices, increased volume of products sold in 2008 and the effect of \$500,000 in facility relocation costs incurred in the first quarter of 2007. In order to improve our gross profit margins, we expect to continue to raise prices. We also expect to expand and adjust our production operations to better service our current and prospective business.

Selling, General and Administrative Expense

Selling, general and administrative expense, or "SG&A," during the second quarter of 2008 increased by \$0.6 million or 80% compared to the second quarter of 2007 and during the first six months of 2008 increased \$1.3 million or 88% compared to the first six months of 2007.

The increases in SG&A were due in part to the addition of non-cash expenses for employee and director stock options and common share purchase warrants granted in late 2007, which aggregated \$0.3 million and \$0.7 million in the three months and six months ended June 30, 2008, respectively. The remaining increases in operating expenses were due to costs incurred to support our business growth and development, including additional personnel costs of approximately \$0.25 million and \$0.5 million in the three months and six months ended June 30, 2008, respectively, and investments in information technology resources.

Research and Development

Research and development costs were \$0.8 million in the second quarter of each of 2008 and 2007 and were \$1.6 million in the first six months of each of 2008 and 2007. Spending in all periods was primarily devoted to development and approval of SFP, our proprietary anemia drug used to treat iron deficiency in dialysis patients. Spending in the first half of 2007 was primarily related to completion of our pre-clinical testing plan while spending in the first half of 2008 was primarily for human clinical testing and other development expenses. We anticipate total SFP related spending to increase during the second half of 2008, but to be below our previous estimate of \$5,000,000 for fiscal 2008.

Interest Income, Net

Net interest income increased by \$0.1 million and \$0.2 million in the second quarter and six months ended June 30, 2008, respectively, compared to the comparable periods of 2007 primarily due to investment income from our cash investments following our equity offering in late 2007 and, to a lesser extent, to a decrease in interest expense because of lower overall borrowings.

Liquidity and Capital Resources

We have two major areas of strategic focus in our business. First, we plan to develop our dialysis products business and to expand our product offering to include drugs and vitamins administered to dialysis patients. Second, we expect to expend substantial amounts in support of our clinical development plan and regulatory approval of SFP. Both of these initiatives require investments of substantial amounts of capital.

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In 2007, we raised approximately \$12.75 million in equity capital (net of related expenses) primarily for the purpose of funding the clinical development and FDA approval of SFP. We expect to spend between \$4 million and \$5 million on SFP development and testing over the next year. We believe our cash resources are sufficient to fund our foreseeable requirements for SFP and ordinary course operating requirements in the year ahead. Should our testing and clinical trial expenses exceed our capital resources in the future, however, we will need to seek additional sources of financing to complete the FDA approval process for SFP.

Our cash resources include cash generated from our business operations and the remaining proceeds from our November 2007 equity offering. As of June 30, 2008, we had \$9.7 million in cash. Through the first six months of 2008, we used \$1.4 million in cash which included \$0.7 million in capital expenditures. During the first half of 2008, we used \$0.6 million in cash in our operations, compared to \$3.1 million in the first half of 2007. The usage of cash in 2008 was primarily due to our net loss of \$2.3 million, partially offset by non-cash charges for stock option expense and warrant expense totaling \$0.7 million and depreciation and amortization of \$0.4 million. We reduced our accounts receivable by \$0.3 million, our accounts payable increased by \$0.2 million and our other liabilities increased by \$0.3 million. The decrease in accounts receivable resulted from improved collection efforts and the timing of the receipt of certain cash payments. Similarly, some of the increase in accounts payable is anticipated to be transitory due to the timing of the receipt of certain vendor shipments and related payment. Other liabilities increased due to accrued expenses associated with research and development which are expected to be funded in the third quarter.

We expect to add additional manufacturing equipment and one or more facilities to continue expanding our production and distribution network which will require additional capital. We anticipate that we will enter into equipment leasing arrangements and other lending arrangements to fund the majority of capital expenditures associated with facility expansions or additions. As we had no foreseeable borrowing requirements under our line of credit, we allowed our prior working capital line of credit to expire on April 1, 2008. We expect to negotiate a new working capital and equipment financing arrangement this year.

We are currently a defendant in litigation with a former lessor who is seeking damages aggregating \$1.1 million for breach of contract and related claims. We intend to vigorously defend against these claims. We are responsible for our legal costs. Although related expenditures to date have not been material, an adverse judgment or settlement in this matter could result in a significant cash expenditure.

We believe our current and expected sources of liquidity and capital resources discussed above will be adequate to fund our cash requirements through 2009. However, we may need to raise additional capital in order to fully execute our strategic plan. In our efforts to obtain additional capital resources, we will evaluate both debt and equity financing as potential sources of funds. We will also evaluate alternative sources of business development funding, licensing agreements with international marketing partners, sub-licensing of certain products for certain markets as well as other potential funding sources. Should we not be able to obtain additional financing, we may be forced to alter our strategy, delay spending on development initiatives or take other actions to conserve cash resources.

Interest Rate Risk

Our current exposure to interest rate risk is limited to changes in interest rates on short term investments of cash. As of June 30, 2008, we had invested \$8.5 million in commercial paper with a financial institution.

A hypothetical 100 basis point increase or decrease in market interest rates for commercial paper would increase or reduce, respectively, our annualized interest income by approximately \$0.1 million, assuming our cash level remained constant for the year.

Foreign Currency Exchange Rate Risk

Our international business is conducted in U.S. dollars. It has not been our practice to hedge the risk of appreciation of the U.S. dollar against the predominant currencies of our trading partners. We have no significant foreign currency exposure to foreign supplied materials, and an immediate 10% strengthening or weakening of the U.S. dollar would not have a material impact on our shareholders' equity or net income.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining effective disclosure controls and procedures, as defined under Rule 13a-15 of the Securities Exchange Act of 1934, as amended, that are designed to ensure that material information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required financial disclosure. In designing and evaluating the disclosure controls and procedures, we recognized that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

No changes were made to our internal control over financial reporting (as defined in Rule 13a-15 under the Exchange Act) during the last fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1A. Risk Factors

For information regarding risk factors affecting us, see "Risk Factors" in Item 1A of Part I of our 2007 Annual Report on Form 10-K. There have been no material changes to the risk factors described in such Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On May 28, 2008, we entered into an advisory agreement with Capitol Securities Management, Inc. pursuant to which we issued warrants to acquire 100,000 shares of our common stock in a private placement exempt from registration under Section 4(2) of the Securities Act. The Warrants were issued as compensation for the investor relations consulting services to be rendered under the agreement. Capitol is a financially sophisticated accredited investor who had access to information relating to the investment, the warrants were sold in a manner not involving general solicitation or advertising and the warrants and underlying shares are subject to customary restrictions on transfer.

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The warrants were immediately earned and will become exercisable on May 28, 2009. The warrants will expire on the earlier of (i) May 28, 2012, or (ii) the termination of the agreement prior to May 28, 2009 (A) by us due to a material breach of the agreement by Capitol or (B) by Capitol. The warrants have an exercise price of \$9.00 per share. Warrants may be exercised in whole or in part at any time until their expiration by the submission of an exercise notice accompanied by payment of the exercise price in cash or certified check or by cashless exercise. We have agreed to use reasonable commercial efforts to register, under the Securities Act of 1933, the shares to be issued upon exercise of the warrants. To the extent the shares issuable upon exercise are not registered prior to issuance, they will bear a legend restricting transfer.

The terms and conditions of the warrants will be set forth in a separate agreement containing terms and conditions set forth above and such other terms and conditions as are mutually acceptable to us and Capitol.

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

At our annual meeting of shareholders held May 23, 2008, the shareholders re-elected Mr. Kenneth L. Holt to the board of directors as a Class II director for a three year term expiring in 2011. Votes cast in favor totaled 11,494,309 while 956,523 votes were withheld.

Shareholders approved an amendment to the Articles of Incorporation to increase the number of authorized common shares by 20,000,000 to an aggregate of 40,000,000. Votes cast in favor were 10,856,797 while votes against were 1,489,098. Abstentions totaled 104,935 and there were no broker non-votes.

In addition, the shareholders approved an amendment of our 2007 Long Term Incentive Plan to increase the shares reserved under the plan by 750,000 common shares. Votes cast in favor were 4,917,044 while votes against were 1,396,434. Abstentions totaled 81,946 and broker non-votes totaled 6,055,406.

Item 6. Exhibits

See Exhibit Index following signature page, which is incorporated herein by reference.

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.

ROCKWELL MEDICAL TECHNOLOGIES, INC.
(Registrant)

Date: August 12, 2008

/s/ ROBERT L. CHIOINI
Robert L. Chioini
President and Chief Executive Officer
(principal executive officer)
(duly authorized officer)

Date: August 12, 2008

/s/ THOMAS E. KLEMA
Thomas E. Klema
Vice President and Chief Financial Officer
(principal financial officer and principal accounting officer)

10-Q EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation, dated as of June 4, 2008
10.23	Amendment No. 1 to Rockwell Medical Technologies, Inc. 2007 Long Term Incentive Plan, filed as an exhibit to the Company's Current Report on Form 8-K dated May 30, 2008 and incorporated herein by reference
10.24	Advisory Agreement dated May 28, 2008 between the Company and Capitol Securities Management, Inc.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certification pursuant to 18 U.S.C. Section 1350 and Rule 13a-14(b) of the Securities Exchange Act of 1934

**RESTATED ARTICLES OF INCORPORATION
OF ROCKWELL MEDICAL TECHNOLOGIES, INC.**

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Articles:

1. *The present name of the corporation is: Rockwell Medical Technologies, Inc.*
2. *The identification number assigned by the Bureau is: 427-745.*
3. *All former names of the corporation are: Acquisition Partners, Inc.*
4. *The date of filing of the original Articles of Incorporation was: October 25, 1996.*

The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and shall be the Articles of Incorporation for the corporation:

ARTICLE I

The name of the corporation is: Rockwell Medical Technologies, Inc.

ARTICLE II

The purpose or purposes for which the corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the Business Corporation Act of Michigan.

ARTICLE III

The total authorized shares:

1. Common Shares: 40,000,000
Preferred Shares: 3,416,664

2. A statement of any of the relative rights, preferences and limitations of the shares of each class as follows:

A. Designation. Rockwell Medical Technologies, Inc., a corporation organized and existing under the laws of the State of Michigan (the "Corporation"), hereby designates 1,416,664 preferred shares of the Corporation as Series A Preferred Shares, par value \$1.00 per share (the "Series A Preferred Shares"), from the Corporation's 3,416,664 authorized preferred shares.

B. Dividends.

(i) Amount and Timing. The holders of Series A Preferred Shares shall be entitled to receive, out of funds legally available for the payment of dividends, cumulative cash dividends in the amount of \$0.085 per share per year, which shall accrue, unless and until paid, ratably each day such share is outstanding from June 1, 1997 until such share is redeemed, liquidated or cancelled. Such dividends will be computed on the basis of a 360-day year for the actual number of days elapsed and the dividends shall be paid in cash. Dividends paid in respect of the Series A Preferred Shares may only be paid as and when directed by the Board of Directors of the Corporation or on the Mandatory Redemption Date (as set forth in Paragraph D).

(ii) Priority. As long as any Series A Preferred Shares are outstanding, the Corporation shall not (a) declare, pay, or set money, securities or other property apart for the payment of, any dividend on any other shares of the Corporation, including all classes of common shares and any other series of preferred shares (all of such shares of the Corporation referred to as the "Junior Shares"), or (b) make any payment on account of, or set money, securities or other property apart for the payment into a sinking or other similar fund for the purchase, redemption or other retirement of, any of the Junior Shares or any warrants, rights, calls or options exercisable for or exchangeable into any of the Junior Shares (collectively, the "Junior Securities"), or (c) make any distribution in respect of any Junior Securities, either directly or indirectly, and whether in cash, obligations or shares of the Corporation or other property (other than distributions or dividends in Junior Shares to the holders of Junior Shares), and shall not permit any corporation or other entity directly or indirectly controlled by the Corporation to purchase or redeem any of the Junior Securities, unless prior to or concurrently with such declaration, payment, setting apart for payment, purchase, redemption or distribution, as the case may be, all accrued and unpaid dividends on the Series A Preferred Shares shall have been paid.

C. Liquidation Preference.

(i) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the holders of Series A Preferred Shares then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders an amount in cash equal to \$1.00 for each share outstanding, plus an amount in cash equal to all accrued but unpaid dividends thereon to the date fixed for liquidation, dissolution or winding up before any payment shall be made or any assets distributed to the holders of any of the Junior Securities. If the assets of the Corporation available for distribution to its shareholders are not sufficient to pay in full the liquidation payments payable to the holders of outstanding Series A Preferred Shares, then the holders of all such shares shall share ratably in the distribution of all assets available for distribution to the Corporation's shareholders in proportion to the amounts that would have been paid on such distribution if the assets of the Corporation available for distribution to its shareholders had been sufficient to pay in full the liquidation payments payable to the holders of outstanding Series A Preferred Shares. If the assets of the Corporation available for distribution exceed the maximum amount which may be distributed to holders of Series A Preferred Shares, the remaining assets available for distribution shall be distributed among the holders of Junior Securities.

(ii) For purposes of this Paragraph C, neither the voluntary sale, conveyance, exchange or transfer (for cash, shares, securities or other consideration) of all or substantially all of the property or assets of the Corporation or its outstanding shares nor the consolidation or merger of the Corporation with one or more other corporations shall be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation, voluntary or involuntary, unless such sale, conveyance, exchange or transfer shall be in connection with a plan of liquidation, dissolution or winding up of the Corporation.

D. Redemptions.

(i) **Mandatory Redemption.** Series A Preferred Shares shall be subject to purchase by the Corporation, and shall be purchased by the Corporation, as follows: On January 31, 1998 (the "Mandatory Redemption Date"), the Corporation shall redeem the outstanding Series A Preferred Shares at a purchase price equal to \$1.00 per share plus accumulated and unpaid dividends on the Mandatory Redemption Date, which purchase price shall be payable in cash. From and after the Mandatory Redemption Date, the holders of Series A Preferred Shares shall not have any rights as shareholders except the right to receive from the Corporation the redemption price of such Series A Preferred Shares, without interest, upon the surrender of such Series A Preferred Shares.

(ii) **Optional Redemption.** In addition to the Corporation's obligation to redeem the then outstanding Series A Preferred Shares set forth in Paragraph D (i) above, the Corporation has the right and option at any time prior to the Mandatory Redemption Date to purchase, redeem or otherwise acquire any or all Series A Preferred Shares for a purchase price equal to \$1.00 per share plus accumulated and unpaid dividends on such share through the date of repurchase or redemption, which purchase price shall be payable in cash.

(iii) **Effect of Redemption.** Upon redemption of the Series A Preferred Shares in accordance with Article III, D., such Series A Preferred Shares shall no longer be authorized for reissuance.

E. Voting Rights. The holders of Series A Preferred Shares shall have no voting rights, except such rights, if any, as cannot legally be denied to them or relinquished by them.

ARTICLE IV

1. The address of the registered office is:

30142 Wixom Road
Wixom, Michigan 48393

2. The mailing address of the registered office, if different than above:

3. The name of the resident agent at the registered office is: Robert L. Chioini.

ARTICLE V

The name and address of the incorporator is as follows:

Name Residence or Business Address

Jeanette M. Russow 2290 First National Building Detroit, Michigan 48226

ARTICLE VI

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take the corporate action referred to unless, within 60 days after the record date for determining shareholders entitled to express consent or to dissent from a proposal without a meeting, written consents dated not more than 10 days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented in writing.

ARTICLE VII

To the full extent permitted by the Michigan Business Corporation Act or any other applicable laws presently or hereafter in effect, no director of the corporation shall be personally liable to the corporation or its shareholders for or with respect to any acts or omissions in the performance of his or her fiduciary duties as a director of the corporation. Any repeal or modification of this Article VII shall not adversely affect any right or protection of a director of the corporation existing immediately prior to, or for or with respect to, any acts or omissions occurring before such repeal or modification.

Article VIII

The Board of Directors may cause the Corporation to issue Preferred shares in one or more series, each series to bear a distinctive designation and to have such relative rights and preferences as shall be prescribed by resolution of the Board. Such resolutions, when filed, shall constitute amendments to these Articles of Incorporation.

Article IX

The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors consisting of not less than 3 or more than 15 directors, the exact number of directors to be determined from time to time solely by a resolution adopted by an affirmative vote of a majority of the entire Board of Directors. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The term of office of one class shall expire each year. At each annual meeting of stockholders, the successors to the class of directors whose term shall then expire shall be elected to hold office for a term expiring on the third succeeding annual meeting.

If the number of directors is changed, any increase or decrease shall be apportioned among the classes of directors so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors shorten the term of any incumbent director. When the number of directors is increased by the Board of Directors and any newly created directorships are filled by the Board, the additional directors shall be classified as provided by the Board.

A director shall hold office until the meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Newly created directorships resulting from an increase in the number of directors and any vacancy on the Board of Directors may be filled only by the Board by an affirmative vote of a majority of the directors then in office. If the number of directors then in office is less than a quorum, such newly created directorships and vacancies may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. A director elected by the Board of Directors to fill a vacancy shall hold office until the next election of the class for which the director shall have been chosen and until his or her successor shall be elected and shall qualify. A director or the entire Board of Directors may be removed only for cause.

Notwithstanding the foregoing, whenever the holders of any one or more classes of preferred stock or series thereof issued by the Company shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the terms of these Articles of Incorporation applicable thereto, except that such directors so elected shall not be divided into classes pursuant to this Article.

This Article IX may not be amended by less than unanimous written consent of shareholders, and may only be amended by the affirmative vote of a majority of the shares entitled to vote thereon, in addition to the vote otherwise required by the Michigan Business Corporation Act.

Article X

No action by written consent of holders of less than all the outstanding shares entitled to vote on such action shall be effective unless the proposed action shall have been approved by the Board of Directors before the consent of shareholders is executed.

Article XI

Pursuant to Section 784(1)(b) of the Michigan Business Corporation Act, the Corporation elects not to be governed by Chapter 7A of the Michigan Business Corporation Act, being Sections 775 through 784 of the Michigan Business Corporation Act; provided that the Corporation's Board of Directors may terminate this election in whole or in part by action of a majority of directors then in office.

ADOPTION OF RESTATED ARTICLES OF INCORPORATION

These Restated Articles of Incorporation were duly adopted on the 3rd day of April, 2008 in accordance with the provisions of Section 642 of the Act by the Board of Directors without a vote of the shareholders. These Restated Articles of Incorporation only restate and integrate and do not further amend the provisions of the Articles of Incorporation as heretofore amended and there is no material discrepancy between those provisions and the provisions of these Restated Articles.

Signed this 3rd day of June, 2008

By /s/ Thomas E. Klema
(Signature of an authorized officer or agent)

Thomas E. Klema
(Type or Print Name)

Vice President and Chief Financial Officer
(Type or Print Title)

DATE: May 28, 2008

PARTIES: Rockwell Medical Technologies, Inc. (the "Company")
30142 Wixom Road
Wixom, MI 48393 USA

Capitol Securities Management, Inc. (the "Advisor")
7918 Jones Branch Dr., Ste 800
McLean, VA 22102

RECITALS:

WHEREAS, the Company wishes to engage the Advisor to perform certain investor relations services.

WHEREAS, the Advisor declares that it is engaged in an independent business or employed by a party other than the Company and that the Company is not the Advisor's sole and only client, customer or employer.

WHEREAS, the parties hereto wish to enter into a Client-Independent Advisory / Contractor relationship for their mutual benefit, and further wish to set forth the terms of such association herein..

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing representations and the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Company and the Advisor agree as follows:

1. Services to be Performed. The Company hereby engages the Advisor to advise and perform work for the Company consisting of exposing the Company to the equity investment community, which includes but is not limited to: analysts, money managers, institutional investors, stock-brokers, mutual funds, broker-dealers, wire-houses, newspapers, television, and trade publications. If Company desires Advisor to perform any services in addition to those described above, the terms and conditions relating to such services will be mutually agreed upon by the parties. The Company acknowledges that: (a) Advisor is not obligated to devote any specific amount of time to providing advice and consultation to the Company except as agreed from time to time by the parties hereto; (b) The scope of work hereunder does not include tax, legal, regulatory, accounting or other technical advice, and (c) the Advisor is being retained solely for the Company's benefit and not for any third party, including the Company's shareholders.
2. Fees, Terms of Payment and Warrant.

The Company agrees as compensation to issue to the Advisor 100,000 cashless Common Stock Purchase Warrants ("Warrants") for services rendered over a 12 month period commencing with the date of this Agreement. The terms and conditions of the Warrants will be set forth in a separate agreement containing the terms and conditions set forth in this paragraph and such other terms and conditions as are mutually acceptable to the Company and the Advisor. The Warrants will become earned upon execution of this Agreement and will have an exercise price of \$9.00 per share. The Warrants will expire at the earlier of (i) the close of business on the fourth anniversary of the execution date of this Agreement, or (ii) the termination of this Agreement prior to the one year anniversary of the date of this Agreement (A) by the Company due to a material breach of this Agreement by Advisor or (B) by Advisor. A "material breach" would be either (1) a failure to perform, in a commercially reasonable manner, the services required or to be required under paragraph 1 of this agreement; or (2) a breach of any of the representations in paragraph 5 of this agreement. Warrants will become exercisable on the first anniversary of the date of this Agreement and may be exercised in whole or in part at any time until their expiration by the submission of an exercise notice in the form to be attached as an exhibit to the Warrant agreement. The Company will

use reasonable commercial efforts to register, under the Securities Act of 1933, the shares to be issued upon exercise of the Warrants, at its discretion, in one or more of the following ways: (i) for resale by Advisor, following issuance of the shares to be registered, either on a separate registration statement filed for that purpose or as part of another registration statement that the Company may file, provided that the Company shall not be required at any time to file a registration statement for less than 30,000 shares issued upon exercise of Warrants; or (ii) prior to exercise of the Warrants by Advisor if the Company determines, in its sole discretion, that it is then eligible to use a Form S-3 registration statement for such registration. Determination of compliance with registration requirements under Federal and State securities laws will be at the sole discretion of the Company. To the extent the shares issuable upon exercise are not registered prior to issuance, they will bear a legend restricting transfer. The Warrants will not be transferable, other than to an affiliate (as defined in Rule 405 under the Securities Act of 1933, as amended) of the Advisor (so long as such affiliate is an "accredited investor" as defined below and agrees to be bound by the terms and provisions of this Agreement and the Warrant agreement as if, and to the fullest extent as, the Advisor, and will bear a legend to that effect. The Company reasonably believes that all information it provides to Advisor is accurate and complete in all material respects. Company acknowledges that Advisor shall be entitled to rely on all such information and materials.

3. Instrumentalities. The Advisor shall supply all equipment, tools, materials and supplies to accomplish the designated jobs or services set forth in Paragraph 1, except if approved by the Company.
4. Expenses. The Company shall not be responsible or liable for any expenses incurred by the Advisor in performing any jobs or services under this Agreement, except accountable out-of-pocket expenses of Advisor related to the engagement and approved by the Company.
5. The Advisor's Status. This Agreement is not intended to, does not constitute and shall not be construed as a hiring by either party. The parties hereto are and shall remain independent contractors. The Advisor retains the sole and exclusive right to control or direct the manner or means by which the jobs or services described herein are to be performed. The Company retains only the right to control the results to insure their conformity with that specified herein.

The Advisor shall comply with all federal, state and local laws, and rules and regulations that are now or may in the future become applicable to the Advisor, its business, equipment and personnel engaged in accomplishing the jobs or services provided under this Agreement or arising out of the performance of this Agreement.

Advisor represents that it is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and was not organized for the purpose of acquiring the Warrants or the underlying shares. Advisor's financial condition is such that it is able to bear the risk of holding the Warrants and the shares underlying the Warrants for an indefinite period of time. Advisor has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of its investment in the Company and has so evaluated the risks and merits of such investment. Advisor understands that an investment in the Warrants and the shares underlying the Warrants involves a significant degree of risk, including a risk of total loss of Advisor's investment, and understands the risk factors included, or that may be included in the future, in the Company's periodic reports filed from time to time with the Securities and Exchange Commission. Advisor is acquiring the Warrants and the shares underlying the Warrants for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933.

6. Payroll or Employment Taxes. The Advisor will not be treated as an employee for federal, state or local tax purposes or for any other purpose. No payroll or employment taxes of any kind shall be withheld or paid with respect to payments to the Advisor, including but not limited to FICA, FUTA, federal personal income tax, state personal income tax, state disability insurance tax, and state unemployment insurance tax. The Advisor agrees that it is responsible for making all filings with and payments to the Internal Revenue Service and state and local taxing authorities as are appropriate to its status as an Advisor.
7. Workers' Compensation, Unemployment Compensation, Benefits. No workers' compensation insurance has been or will be obtained by the Company for the Advisor. The Advisor understands that he is not entitled to unemployment compensation benefits or any other benefits normally afforded to any employee of the Company, due to his status as an Advisor.

8. Indemnification. Except as otherwise provided in paragraph 4 above, the Company agrees to indemnify, defend and hold the Advisor, its affiliates, control persons, officers, directors, employees and agents (collectively, the "Indemnified Persons") harmless from and against all losses, claims, damages, liabilities, costs or expenses (including reasonable attorneys' fees and disbursements) arising out of the services rendered pursuant to this Agreement, whether or not the Advisor is a party to such dispute. This indemnity shall not apply, however, where a court of competent jurisdiction has made a final non-appealable determination that the Advisor was grossly negligent or engaged in willful misconduct in the performance of its services hereunder, which directly gave rise to the loss, claim, damage, liability, cost or expense sought to be recovered hereunder. Promptly after receipt by an Indemnified Party of notice of the occurrence of the commencement of any action or proceeding in respect of which indemnity may be sought against the Company, such Indemnified Party will notify the Company in writing of the commencement thereof, and the Company shall be entitled to immediately assume the defense thereof. If the defense is assumed by the Company, it shall have no further obligation to indemnify the Indemnified Persons for attorneys' fees and disbursements). The reimbursement, indemnity and contribution obligations of the Company under this paragraph shall be in addition to any liability which the Company may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Advisor and any other Indemnified Person.
9. Termination. The consulting arrangement provided herein may be terminated by either party upon 30 days notice. Following termination, neither party shall have any continuing liability or obligations hereunder; provided, the terms of section 8 shall survive any termination hereof.
10. Law Governing Contract. This Agreement and all questions arising in connection with it shall be governed by the laws of the State of Michigan.
11. Entire Agreement. This Agreement states the entire Agreement of the parties, and merges all prior negotiations, agreements and understandings, if any, except for any confidentiality agreements between the parties. No modification, release, discharge or waiver of any provision hereof shall be of any force or effect unless made in writing and signed by the parties hereto. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their representative laws, personal representatives, successors and assigns, provided that neither party may assign the Agreement without the other party's prior written consent.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused it to be dated as of the day and year first written above.

"COMPANY"

Rockwell Medical Technologies, Inc.

By /s/ Robert L. Chioini

Its: Chairman/CEO/President

"ADVISOR"

Capitol Securities Management, Inc.

By /s/ G. Mark Hamby

Its: President

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Robert L. Chioini, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rockwell Medical Technologies, Inc.;
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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, including its consolidated subsidiaries, is made known to us 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Date: August 12, 2008

/s/ Robert L. Chioini

Robert L. Chioini
President and Chief Executive Officer

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Thomas E. Klema, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rockwell Medical Technologies, Inc.;
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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, including its consolidated subsidiaries, is made known to us 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Date: August 12, 2008

/s/ Thomas E. Klema

Thomas E. Klema

Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Rockwell Medical Technologies, Inc. (the "Company") on Form 10-Q for the quarter ending June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Robert L. Chioini, Chief Executive Officer of the Company and I, Thomas E. Klema, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. the Periodic 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 Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 12, 2008

/s/ Robert L. Chioini
Robert L. Chioini
President and Chief Executive Officer

Dated: August 12, 2008

/s/ Thomas E. Klema
Thomas E. Klema
Vice President and Chief Financial Officer