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

FORM 10-QSB

(MARK ONE)

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1998

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

FOR THE TRANSITION PERIOD FROM ___________ TO ____________

COMMISSION FILE NUMBER: 000-23-661

ROCKWELL MEDICAL TECHNOLOGIES, INC.
(Exact name of small business issuer as specified in its charter)

MICHIGAN	38-3317208
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

28025 OAKLAND OAKS DRIVE
WIXOM, MICHIGAN 48393
(Address of principal executive offices)

(248) - 449-3353
Issuer's telephone number

(NONE)
(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 [   ]

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: 4,830,450 Common Shares outstanding and 3,625,000 Common Share Purchase Warrants outstanding as of November 11, 1998.

Transitional Small Business Disclosure Format (Check one):
Yes [ ] No [X]

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET
(WHOLE DOLLARS)
(Unaudited)

ASSETS	SEPTEMBER 30, 1998
Cash and Cash Item	$ 2,063,804
Accounts Receivable, net of allowance for doubtful accounts of $35,745	684,068
Inventory	189,151
Other Current Assets	57,172
TOTAL CURRENT ASSETS	2,994,195
Property and Equipment, net	949,996
Other Noncurrent Assets	177,938
Excess of Purchase Price over Fair Value of Net Assets Acquired, net	1,314,324
TOTAL ASSETS	$ 5,436,453
LIABILITIES AND SHAREHOLDERS' EQUITY	
Accounts Payable	$ 409,875
Accrued Liabilities	160,499
TOTAL CURRENT LIABILITIES	570,374
SHAREHOLDERS' EQUITY:	
Common Shares, no par value, 4,830,450 shares issued and outstanding	8,085,980
Common Share Purchase Warrants, 3,625,000 warrants issued and outstanding	251,150
Deficit	(3,471,051)
	4,866,079
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 5,436,453

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

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

CONSOLIDATED INCOME STATEMENT
(WHOLE DOLLARS)
(Unaudited)

	THREE MONTHS ENDED SEP. 30, 1998	THREE MONTHS ENDED SEP. 30, 1997	NINE MONTHS ENDED SEP. 30, 1998	NINE MONTHS ENDED SEP. 30, 1997
SALES	$ 1,547,273	$ 1,174,746	$ 3,700,562	$ 2,326,148
Cost of Sales	1,528,926	1,247,328	3,956,083	2,717,267
GROSS MARGIN (DEFICIT)	18,347	(72,582)	(255,521)	(391,119)
Selling, General and Administrative	520,947	489,029	1,357,890	1,059,245
OPERATING LOSS	(502,600)	(561,611)	(1,613,411)	(1,450,364)
Interest Income (Expense), net	27,804	(20,142)	56,294	(74,570)
NET LOSS	$ (474,796)	$ (581,753)	$(1,557,117)	$(1,524,934)
Average shares outstanding	4,830,450	3,135,861	4,689,731	2,904,833
BASIC AND DILUTED LOSS PER SHARE	$(.10)	$(.19)	$(.33)	$(.53)

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

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(WHOLE DOLLARS)
(Unaudited)

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,557,117)	$ (1,524,934)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and Amortization	264,486	176,785
	(1,292,631)	(1,348,149)
Changes in Working Capital:		
Increase in Accounts Receivable	(296,804)	(270,840)
Increase in Inventory	104,568	(106,415)
Increase in Other Current Assets	(737)	(46,788)
Decrease in Accounts Payable	(627,958)	227,525
Increase (Decrease) in Other Liabilities	(322,351)	321,081
Net change in Working Capital	(1,143,282)	124,563
NET CASH USED IN OPERATIONS	(2,435,913)	(1,223,586)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Business, net of cash acquired	--	(508,887)
Purchase of Equipment	(391,722)	(62,378)
Redemption (Purchase) of Certificate of Deposit	25,000	(25,000)
CASH USED IN INVESTING ACTIVITIES	(366,722)	(596,265)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of Common Shares	6,012,221	2,430,928
Issuance of Common Share Purchase Warrants	251,150	--
Purchase of Common Shares	(164,359)	--
Proceeds from notes payable - shareholders	--	225,000
Payment on promissory note	--	(500,000)
Repayment of notes payable	(200,000)	(125,000)
Redemption of Series A Preferred Stock	(1,095,915)	--
Deposits paid on leases	--	(138,397)
CASH PROVIDED BY FINANCING ACTIVITIES	4,803,097	1,892,531
INCREASE IN CASH	2,000,462	72,680
CASH AT BEGINNING OF PERIOD	63,342	--
CASH AT END OF PERIOD	$ 2,063,804	$ 72,680

Interest paid upon the redemption of the Series A Preferred Stock was $62,272.

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

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND CAPITALIZATION

Rockwell Medical Technologies, Inc. ("the Company") was incorporated on October 25, 1996 for the purpose of purchasing and operating the business of Rockwell Medical Supplies, L.L.C. and its sister company, Rockwell Transportation, L.L.C. The Company is in the business of manufacturing and distributing hemodialysis concentrates and dialysis kits to hemodialysis clinics. The Company also packages, sells and distributes ancillary products related to the hemodialysis process.

The Company is regulated by the Federal Food and Drug Administration under the Federal Drug and Cosmetics Act, as well as by other federal, state and local agencies. The Company currently has 510(k) approval from the FDA to market hemodialysis solutions and powders.

On February 19, 1997, the Company purchased the assets and assumed certain liabilities of Rockwell Medical Supplies, L.L.C. and Rockwell Transportation, L.L.C. for an initial purchase price of approximately $2.4 million, excluding liabilities assumed. The transaction was accounted for using the purchase method of accounting. The initial purchase price was allocated to assets acquired and liabilities assumed based on the estimated fair market value at the date of acquisition.

On January 26, 1998 the Company issued 1,800,000 Common Shares and 3,105,000 Common Share Purchase Warrants pursuant to a Registration Statement filed with the Securities and Exchange Commission. The offering price was $4.00 per share for the Common Shares and $.10 per warrant for the Common Share Purchase Warrants. Net proceeds from this offering were approximately $5.9 million. Proceeds were used to redeem the Series A Preferred Shares, repay the Notes Payable and reduce Accounts Payable and accrued expenses. The balance of the funds was invested in short-term cash investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements of the Company include the accounts of Rockwell Medical Technologies, Inc. and its wholly owned subsidiary, Rockwell Transportation, Inc. All intercompany balances and transactions have been eliminated. The results of operations and cash flows are presented from October 25, 1996 (the date of inception) through September 30, 1997 and January 1, 1998 through September 30, 1998. During the period October 25, 1996 through December 31, 1996 the Company incurred and accrued expenses of $49 thousand, primarily consulting fees, in conjunction with the initial organization of the Company.

In the opinion of management, all necessary adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The operating results for the three or the nine month periods ended September 30, 1998 are not necessarily indicative of the results to be expected for the year ending December 31, 1998.

2. BASIS OF PRESENTATION (CONT'D)

COMPREHENSIVE INCOME

A Statement of Comprehensive Income for the periods ended September 30, 1998 and 1997 is not presented in accordance with Statement of Financial Accounting Standard No. 130 as the Company has no Comprehensive Income.

3. INVENTORY

Components of inventory are as follows:

Raw Materials	$ 126,735
Finished Goods	62,416
Total	$ 189,151

4. RELATED PARTY TRANSACTIONS

In July 1997, the Company obtained a demand loan from Karen Bagley in the amount of $100,000 and in November 1997 the Company obtained a loan from Michael J. Xirinachs in the amount of $100,000 due February 11, 1998. The loans bear interest at an annual rate of 24%. These loans were repaid in January and February 1998 with the proceeds of the Initial Public Offering. Karen Bagley is the wife of Patrick Bagley, whose firm serves as legal counsel to the Company on certain matters and also to Mr. Robert L. Chioini in a personal capacity. Michael J. Xirinachs is a founder and a Director of the Company.

During each of the nine month periods ended September 30, 1997 and 1998, the Company paid fees to the consulting firm of Wall Street Partners, Inc. for financial and management services of $225,000. The principals of the consulting firm are shareholders, and members of the Board of Directors of the Company.

ITEM 6. MANAGEMENT'S DISCUSSIONS AND ANALYSIS OR PLAN OF OPERATION.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997

Sales in the third quarter of 1998 were $1.5 million which is 32% higher than the $1.1 million in the same quarter of 1997. The Company differentiates its sales in the three primary product lines of acid concentrate, bicarbonate and ancillary products. Product line sales of acid concentrate increased 23% in the third quarter of 1998 as compared to the third quarter of 1997. In 1997 however, acid concentrate sales included a sale to one export customer of a product formula not sold in the United States. Without considering this export sale, acid concentrate sales increased 85% in 1998. The bicarbonate product line's sales increased by approximately 92% in the third quarter of 1998 compared to the prior year. Sales of ancillary products were comparable in both periods.

Gross margin was $18.3 thousand, or 1% of sales, in the third quarter of 1998. This compares to a gross deficit of $(72.6) thousand in the third quarter of 1997. The improvement in Gross Margin was due to increased prices to our customers and lower fixed costs as a percent of sales in the 1998 period. These savings were partially offset by the lack of the profitable export sales recorded in the third quarter of 1997 as noted above. Distribution expense was $366.7 thousand or 24% of sales in quarter ended September 30, 1998. Although the expense is comparable to the prior period, sales last year were considerabley lower which caused distribution expense to be 31% of sales in the third quarter of 1997.

More efficient routing of company-owned trucks and use of common carriers when available caused this decrease in distribution expense as a percent of sales. The Company also reduced sales into distant geographic markets, in accordance with our target market strategy, which also helped reduce distribution costs.

Selling, General and Administrative costs were $31.0 thousand higher in the third quarter of 1998 as compared to the same period of 1997. Increased compensation expense and investor relations costs in 1998 were partially offset by higher professional fees last year. Selling, General and Administrative expense was about 8% lower as a percent of sales for the quarter ended September 30, 1998 as compared to the same period in 1997 given the higher sales level in 1998.

Interest income of $27.8 thousand was earned in the third quarter of 1998 compared to interest expense of $(20.2) thousand in the same period of the prior year. This is directly related to the investment of the proceeds received from the Company's initial public offering of Common Shares in January of 1998. Short term investments in 1998 averaged $2.3 million during the third quarter while interest bearing promissory notes and obligations on Redeemable Preferred Stock existed in the comparable period of the prior year.

Basic and fully diluted loss per share improved to ($.10) for the three month period ended September 30, 1998 from a loss per share of ($.19) for the comparable period in 1997. The net loss of the Company decreased to $(474.8) thousand in the third quarter of 1998 as compared to $(581.8) thousand in the prior year. About $(.02) per share of the improved loss per share was a result of the decreased net loss and about $(.07) per share was due to the increased average shares outstanding. The increased average shares outstanding was directly attributable to the additional Common Shares issued in conjunction with the Initial Public Offering.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997

Financial results for the nine months ended September 30, 1997 reflect operations for seven and one-half months as compared to the full nine months in the period ended September 30, 1998. This is due to the Company purchasing Rockwell Medical Supplies, L.L.C. and Rockwell Transportation, L.L.C. on February 19, 1997. The purchase of these two companies formed the entire operation of Rockwell Medical Technologies, Inc. When comparing year to date 1998 results to 1997 care must be taken to adjust for the shorter length of operations in 1997.

Sales in the first nine months of 1998 were $3.7 million compared to $2.3 million in the short period in 1997. Comparable sales in the nine months of 1997, after combining the sales of the Company and the sales of the Predecessor Company, were $2.7 million. This represents an increase of 44% in 1998 over 1997 as adjusted. The product line sales fluctuations as described in the Results of Operations for the quarter ended September 30, 1998 and 1997 are also representative of the nine-month periods.

The Gross Deficit in 1998 was $(255.5) thousand as compared to $(391.1) thousand in the 1997 period. After adjusting 1997 to reflect the operating results for the full nine months, as noted above, the Gross Deficit was $(556.3) thousand. Efficiencies achieved in the manufacturing process, lower material costs, and higher selling prices all contributed to the lower deficit in 1998 compared to 1997.

Selling, General & Adnistrative Expense, after adjusting for the shorter 1997 period, were higher by $121.8 thousand compared in 1998. The SG&A cost increases are due to those reasons noted in the quarterly results of operations.

Interest income of $56.3 thousand was earned in the nine months ended September 30, 1998 compared to interest expense of $(74.6) thousand in the prior year. This is directly related to the proceeds received from the Company's initial public offering of Common Shares in January of 1998. Short-term investments in 1998 averaged $2.3 million while interest bearing promissory notes and obligations on Redeemable Preferred Stock existed in the prior year.

The Company's Net Loss in the nine months ended September 30, 1998 was $(1,557.1) thousand as compared to $(1,524.9) thousand in the shorter period of 1997. After considering the adjustment for the short period in 1997 the nine month net loss for 1997 was $(2,170.6) thousand.

Basic and fully diluted loss per share improved to ($.33) for the nine months period ended September 30, 1998 from a loss per share of ($.53) for the reported period in 1997. The gross amount of the net loss of the Company in 1998 was approximately the same as in the prior year without adjusting for the short period of 1997. The improved loss per share was a result of the increased average shares outstanding. The increased average shares outstanding was directly attributable to the additional Common Shares issued in conjunction with the Initial Public Offering.

LIQUIDITY AND CAPITAL RESOURCES

The Company issued 1,800,000 Common Shares and 3,105,000 Common Share Purchase in an Initial Public Offering on January 26,1998. The net offering proceeds of $5.9 million were used for: (a) payments for redemption of the Series A Preferred Shares ($1.1 million), (b) payments of accounts payable and certain liabilities ($700 thousand), and (c) repayment of promissory notes ($217 thousand). The balance of the cash remaining, approximately $3.9 million will be used to fund operating cash needs and capital equipment and expansion programs.

Operating cash requirements, including working capital needs were $1.7 million for the nine months ended September 30, 1998. The Company anticipates that these cash needs will continue in the future as our growth strategy is implemented and as operating losses continue.

Capital equipment purchases were $391.7 thousand for the nine-month period ended September 30, 1998. This capital was primarily related to technological improvements in existing manufacturing processes and other expenditures to enable the company to manufacture the new product, Sterilyte(TM) Liquid Bicarbonate.

The Company also used cash to repurchase 108,300 Common Shares for approximately $164.4 thousand during the first nine months of 1998.

YEAR 2000 ISSUES AND CONSEQUENCES

The Company is in the process of reviewing its systems, both information technology based and non-information technology based. In our preliminary assessment of these systems the Company has determined that certain software associated with accounting and order processing functions is not Year 2000 compliant. New software has been evaluated, purchased and the conversion has been initiated. This conversion will be completed by December 31, 1998. The cost of the software was expensed in a prior period and the conversion will not require additional out-of-pocket expenditures. The risk of this conversion is not significant to the Company.

Other critical IT based systems and non-IT based systems do not appear to have Year 2000 issues, however our review is currently in process. The Company does not believe that the Year 2000 issues will have a material impact on the business.

PART II OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit No	Description
10.1	Amendment dated June 25, 1998 to Consulting and Advisory Services Agreement dated February 19, 1997 between the Company and Wall Street Partners
27.1	Financial Data Schedule
27.2	Financial Data Schedule
27.3	Financial Data Schedule
27.4	Financial Data Schedule

(b)Reports on Form 8-K
(None)

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ROCKWELL MEDICAL TECHNOLOGIES, INC.
(Registrant)

Date: November 16, 1998

/s/ ROBERT L. CHIOINI

Robert L. Chioini
President, Chief Executive Officer and Director (Principal Executive Officer)

Date: November 16, 1998

/s/ JAMES J. CONNOR

James J. Connor
Vice President of Finance, Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer and Principal Accounting Officer)

INDEX TO EXHIBITS

(a) Exhibits

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27.3	Financial Data Schedule
27.4	Financial Data Schedule

AMENDMENT TO CONSULTING AND FINANCIAL ADVISORY SERVICES AGREEMENT

This Amendment to Consulting and Financial Advisory Services Agreement (this Amendment) is made as of June 25, 1998 between Rockwell Medical Technologies, Inc., a Michigan corporation (Rockwell), and Wall Street Partners, Inc., a Michigan corporation (Wall Street).

RECITALS

A. Rockwell and Wall Street are parties to a Consulting and Financial Advisory Services Agreement dated as of February 19, 1997 (the Consulting Agreement) pursuant to which, among other things, Wall Street provides consulting and financial advisory services to Rockwell in exchange for a consulting fee.

B. On or about November 25, 1997, the term of the Consulting Agreement was extended to June 30, 1998.

C. On or about April 3, 1998, Rockwell agreed to indemnify Wall Street from liabilities arising out of Wall Streets providing consulting services to Rockwell, other than liabilities arising out of Wall Streets gross negligence in performing such consulting services.

D. Rockwell desires to extend the term of the Consulting Agreement to December 31, 1998 and to adjust the consulting fee to be paid to Wall Street under the Consulting Agreement.

E. Rockwell and Wall Street are entering into this Amendment to set forth in writing the agreements of the parties hereto with respect to the matters referenced in Recitals B, C and D above.

Therefore, the parties agree as follows:

1. Extension of Term. The term of the Consulting Agreement is hereby extended until December 31, 1998.

2. Consideration. During the period from July 1, 1998 through December 31, 1998, Rockwell will pay Wall Street the fees set forth below (which amounts will be prorated for any partial periods worked based on a five-day business week):

July, August, September and October	$25,000 per month
November, December	$20,000 per month

3. Indemnification of Wall Street. Rockwell shall indemnify, defend and hold Wall Street and its officers, directors, employees and other affiliates, harmless from, against and with respect to any claim, liability, obligation, loss, damage, judgment, settlement, cost and expense,

including, without limitation, reasonably attorneys fees and court costs (collectively, Claims), arising out of or in any manner incident, relating or attributable to the providing of Services by Wall Street to Rockwell under the Consulting Agreement; provided, however, that Rockwell shall have no obligation hereunder with respect to any Claims resulting from Wall Streets gross negligence in performing such Services.

4. Miscellaneous.

(a) Except as otherwise expressly set forth herein, all of the terms and provisions of the Consulting Agreement shall remain in full force and effect.

(b) This Amendment shall be governed by and construed in accordance with the laws of the jurisdiction specified in paragraph 9 of the Consulting Agreement.

(c) Capitalized terms used in this Amendment but not otherwise defined shall have the meanings set forth in the Consulting Agreement.

(d) This Amendment may be executed in one or more counterparts by the parties. All counterparts shall be construed together and shall constitute one agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the date set forth in the introductory paragraph of this Amendment.

ROCKWELL MEDICAL TECHNOLOGIES, INC., a Michigan corporation

By: /s/ Robert L. Chioini

Robert L. Chioini
Its: President

WALL STREET PARTNERS, INC., a Michigan corporation

By: /s/ Gary D. Lewis

Gary D. Lewis
Its: President

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