SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended June 30, 2001

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

For the transition period from _____________ to _____________

Commission File No. 0-29245

HEALTH & NUTRITION SYSTEMS INTERNATIONAL, INC.
(Exact name of small business issuer as specified in its charter)

Florida	65-0452156
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

3750 Investment Lane, Suite 5, West Palm Beach, Florida 33407
(Address of principal executive offices)

(561) 863-8446
(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 3,612,813 shares of Common Stock as of August 10, 2001.

Transitional Small Business Disclosure Format: Yes [ ] No [X]

HEALTH AND NUTRITION SYSTEMS INTERNATIONAL, INC.

INDEX

HEALTH & NUTRITION SYSTEMS INTERNATIONAL, INC.
CONDENSED BALANCE SHEET
(UNAUDITED)

ASSETS

	June 30, 2001
Current assets:	
Cash	$ 68,490
Restricted cash related to notes payable	150,687
Accounts receivable, net	474,328
Inventory	321,155
Prepaids and other current assets	112,598
Total current assets	1,127,258
Property and equipment, net	80,305
Other assets:	
Due from related parties	5,431
Deferred tax asset	50,550
Other assets, net	35,170
Total other assets	91,151
Total assets	$ 1,298,714

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2001
Current liabilities:	
Accounts payable	$ 748,584
Accrued expenses	124,177
Notes payable	226,667
Capital leases, current portion	20,772
Total current liabilities	1,120,200
Capital leases, less current portion	10,644
Stockholders' equity:	
Common stock, $0.001 par value, 30,000,000 shares authorized; 3,609,813 shares issued and outstanding	3,610
Additional paid-in capital	831,532
Accumulated deficit	(667,272)
Total stockholders' equity	167,870
Total liabilities and stockholders' equity	$ 1,298,714

See accompanying notes to condensed financial statements.

HEALTH & NUTRITION SYSTEMS INTERNATIONAL, INC.
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Revenue	$ 1,435,227	$ 1,458,974	$ 2,940,311	$ 2,826,434
Cost of sales	457,980	311,109	957,024	713,145
Gross profit	977,247	1,147,865	1,983,287	2,113,289
Operating expense:				
General and administrative expenses	1,504,797	1,031,496	2,422,115	1,648,450
Depreciation and amortization expenses	9,176	2,277	17,437	--
Total operating expenses	1,513,973	1,033,773	2,439,552	1,648,450
Income (loss) from operations	(536,726)	114,092	(456,265)	464,839
Interest income	--	--	1,713	2,532
Interest expense	(6,197)	--	(14,448)	(3,484)
Profit (loss) before income taxes	(542,923)	114,092	(469,000)	463,887
Benefit (provision) for income taxes	74,897	65,438	42,662	(37,427)
Net profit (loss)	$ (468,026)	$ 179,530	$ (426,338)	$ 426,460
Net profit (loss) per share - basic	$ (0.13)	0.03	(0.12)	0.06
Net profit (loss) per share - diluted	$ (0.13)	0.02	(0.12)	0.06
Weighted average number of shares - basic	3,605,813	6,901,334	3,605,813	7,122,986
Weighted average number of shares - diluted	3,605,813	7,243,206	3,605,813	7,464,858

See accompanying notes to condensed financial statements.

HEALTH & NUTRITION SYSTEMS INTERNATIONAL, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
Net cash provided by (used in) operating activities	$ (93,104)	$ 355,176
Cash flows from investing activities:		
Purchase of trademark	(25,000)	--
Purchase of property and equipment	(4,531)	(15,550)
Net cash used in investing activities	(29,531)	(15,550)
Cash flows from financing activities:		
Proceeds on issuance of common stock	--	7,363
Proceeds on line of credit	100,000	--
Payments on lines of credit	(23,334)	--
Payments on capital leases	(10,913)	(10,291)
Payments to related parties	(213)	(6,000)
Net cash provided by (used in) financing activities	65,540	(8,928)
Net increase (decrease) in cash	(57,095)	330,698
Cash at beginning of period	125,585	154,247
Cash at end of period	$ 68,490	$ 484,945

See accompanying notes to condensed financial statements.

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements of Health & Nutrition Systems International, Inc. (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and Regulation S-B. Accordingly, they do not include all of the information and footnotes required for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for the interim periods presented have been included.

These results have been determined on the basis of generally accepted accounting principles and practices applied consistently with those used in the preparation of the Company's Annual Financial Statements for the for the year ended December 31, 2000. Operating results for the six months ended June 30, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001.

It is recommended that the accompanying condensed financial statements be read in conjunction with the financial statements and notes for the year ended December 31, 2000, found in the Company's Form 10-KSB.

NOTE 2 - NOTES PAYABLE

On December 15, 2000 the company received a short-term loan from a bank. Interest accrues at 8.1% per annum and the note is collateralized by two certificates of deposit totaling approximately $150,000. The unpaid balance at March 31, 2001 was $142,500.

On January 12, 2001 the Company received a short-term loan from a bank in the amount of $100,000. Interest accrues at a rate of 7.73% per annum and is personally guaranteed by the Company's Chief Executive Officer. The loan matures January 12, 2002. The balance at June 30, 2001 was $91,667.

NOTE 3 - STOCKHOLDERS' EQUITY

During the three months ended March 31, 2001, the Company issued 25,000 shares of common stock to consultants as payment for services. The Company recorded compensation for professional services of $25,750. In May 2001, the parties terminated the consulting contract and the consultant returned the shares of common stock.

In June 2001, the Company issued 5,000 shares of common stock to a consultant for professional services rendered. The Company recorded a compensation expense of $1,300.

NOTE 4 - INCOME TAXES

Income tax provision consists of the following at June 30:

	2001	2000
Current	$ --	$ 107,034
Deferred	(42,662)	(28,750)
Decrease in valuation allowance	--	(40,857)
Provision (benefit) for income taxes	$(42,662)	$ 37,427

NOTE 4 - INCOME TAXES (continued)

Under FAS No. 109, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of deferred tax assets as of June 30, 2001 and 2000 are as follows:

	2001	2000
Deferred tax asset:		
Net operating losses	$ 50,550	$ 21,599
Stock issued for services	--	48,008
Total deferred tax asset	50,550	69,607
Deferred tax liabilities		
	--	--
Net deferred tax asset before valuation allowance	50,550	69,607
Valuation allowance	--	--
Net deferred tax assets	$ 50,550	$ 69,607

A reconciliation of income tax expense (benefit) provided at a combined federal and state statutory rate of 39.5% to income tax expense is as follows:

	2001	2000
Taxes computed at combined federal and state tax rate	$ --	$197,152
Change in valuation allowance	--	(40,857)
Net operating loss benefit	(51,814)	(62,552)
Other, net	9,152	(56,316)
	$(42,662)	$ 37,427

As of June 30, 2001, the Company had used the net operating loss carry forward of $131,175 available for use on its future corporate federal income tax returns.

NOTE 5 - LEGAL MATTERS

The Company has filed a Complaint for Declaratory Relief in reference to the effectiveness of various Stock Purchase Agreements among shareholders, the cancellation of certain shares and the rightful ownership of these shares. The uncertainty affects 335,000 shares of common stock (after the reverse stock split) not included in the outstanding shares. Depending on the outcome of the action, the number of outstanding shares may increase causing dilution of the present shareholders. During the three months ended June 30, 2001, the defendents filed a counterclaim. The Company has moved to dismiss the counterclaim.

Item 2. Management's Discussion and Analysis or Plan of Operation.

This Quarterly Report on Form 10-QSB contains forward-looking statements. Any statements that are not statements of historical fact should be regarded as forward-looking statements. For example, the words "intends," "believes," "anticipates," "plans," and "expects" are intended to identify forward-looking statements. There are a number of important factors that could cause our actual results to differ materially from those indicated by such forward-looking statements. These factors include without limitation those factors contained in our Form 10-SB filed with the Securities and Exchange Commission. We do not undertake any obligation to update any such factors or to publicly announce the result of any revision to any of the forward looking statements contained herein to reflect future events or developments.

The following discussion of our results of operations and financial condition should be read together with our unaudited Financial Statements contained in Part I, Item 1 and the related Notes in this Form 10-QSB, and our audited Financial Statements and the related Notes contained in our Form 10-SB filed with the Securities and Exchange Commission.

OVERVIEW

Since the beginning of the year, we have been reviewing our strategic plan for the Company to ensure that we are properly diversified to minimize the impact of a shift in consumer preferences with regard to any one of our products, a change in retailer attitude with respect to our Company or any of our products or any other cause of reduced sales either for a particular product or in a particular area. The result has been our launch of our Acutrim, Fat Cutter and Carbolizer products, thereby beginning to establish increased product diversification. This has, concomitantly, meant the dedication of approximately $450,000 in marketing funds to support the launch of these new products. Simultaneously, we have worked to decrease our reliance on any single vendor. The result thus far shows a slight increase in sales and a marked decrease in profitability.

As we have previously disclosed, we are dependent on factoring our receivables in order to support our working capital needs. We presently factor certain of our accounts receivable pursuant to an agreement with Bank of America. That agreement will expire as of September 6, 2001. Although we are in discussions with other potential factors, we do not presently have another factoring agreement in place. See the discussion under "Liquidity & Capital Resources."

NET SALES:

Net sales for the three months ended June 30, 2001 were $1,435,227, a decrease of $23,747 or 2%, as compared to net sales of $1,458,974 for the three months ended June 30, 2000. The decrease was due to a decrease in sales to the largest vendor of our products for calendar year 2000, GNC, as well as decreased sales of Carbcutter. Eckerds accounted for $261,308 or 18% of sales for the quarter. GNC accounted for $233,721 or 16% of sales for the quarter. Rite aid accounted for $167,039 or 12% of sales for the quarter. Walgreens accounted for $168,925 or 12% of sales for the quarter and CVS accounted for approximately $165,000 or 11.5% of sales for the quarter. No other account represented more than 10% of sales during the quarter.

Net sales for the six months ended June 30, 2001 were $2,940,311, an increase of $113,877 or 4%, as compared to net sales of $2,826,434 for the six months ended June 30, 2000. The increase was due to sales from new vendors as well as sales of new products, partially offset by a decrease in sales to GNC. Rite aid accounted for $413,856 or 13 % of sales for the period. GNC accounted for $356,713 or 12% of sales for the period. Walgreens accounted for $342,001 or 11% of sales for the period. Eckerds accounted for $345,590 or 11% of sales for the period. No other account represented more than 10% of sales during the quarter.

COST OF SALES:

Cost of sales for the three months ended June 30, 2001 was $457,980 or 32% of net sales as compared to $311,109 or 21% of net sales for the three months ended June 30, 2000. The increase in cost of sales as a percentage of net sales was primarily attributable to new sales of Acutrim(R) branded products (which product line was acquired in January of 2001), which has a higher cost of goods as a percentage of sales compared to Carbcutter(TM).

Cost of sales for the six months ended June 30, 2001 was $957,024 or 32% of net sales as compared to $713,145 or 25% of net sales for the six months ended June 30, 2000. The increase in cost of sales as a percentage of net sales was primarily attributable to new sales from recently acquired Acutrim(R), which has a higher cost of goods as a percentage of sales compared to Carbcutter(TM).

GROSS PROFIT:

Gross profit for the three months ended June 30, 2001 was $977,247 a decrease of $170,618 or 17%, compared to gross profit of $1,147,865 for the three months ended June 30, 2000. As a percent of net sales, gross profit was 68% for the three months ended June 30, 2001, compared to 82% for the three months ended March 31, 2000. The decrease in gross profit dollars is primarily due to decreased sales of Carbcutter(TM). The decrease in gross profit as a percent of sales is primarily due to the lower gross profit margin of Acutrim(R).

Gross profit for the six months ended June 30, 2001 was $1,983,287 a decrease of $130,002 or 7%, compared to gross profit of $2,113,289 for the six months ended June 30, 2000. As a percent of net sales, gross profit was 68% for the six months ended June 30, 2001, compared to 75% for the six months ended June 30, 2000. The decrease in gross profit dollars is primarily due decreased sales of Carbcutter(TM). The decrease in gross profit as a percent of sales is primarily due to the lower gross profit margin of Acutrim(R).

OPERATING EXPENSES:

Operating expenses were $1,513,973 for the three months ended June 30, 2001, representing an increase of $480,200, compared to $1,033,773 for the three months ended June 30, 2000. As a percent of net sales, operating expenses were 105% for the three months ended June 30, 2001, compared to 71% for the three months ended March 31, 2000. The increase in operating expenses was primarily attributable to higher co-op, slotting fees for new products and new channels of distribution, sales promotion which include radio promotions and coupon redemption promotions, scan downs, temporary price reductions, print advertising expenditures and legal expenditures relating to pending litigation.

Operating expenses were $2,439,552 for the six months ended June 30, 2001, representing an increase of $791,102, compared to $1,648,450 for the six months ended June 30, 2000. As a percent of net sales, operating expenses were 83% for the six months ended June 30, 2001, compared to 58% for the six months ended June 30, 2000. The increase in operating expenses was primarily attributable to higher co-op, slotting fees for new products as well as new channels of distribution, sales promotion which include radio promotions and coupon redemption promotions, scan downs, temporary price reductions print advertising expenditures and legal expenditures relating to pending litigation.

NET PROFIT (LOSS) FROM OPERATIONS:

Net loss from operations was $536,726 for the three months ended June 30, 2001, as compared to a net profit from operations of $114,092 for the three months ended June 30, 2000. Net loss was $468,026 or $0.13 per share for the three months ended June 30, 2001, as compared to a net profit of $179,530 or $0.03 per share for the three months ended June 30, 2000. The decrease in income from operations was primarily due to higher co-op, slotting fees for new products and new channels of distribution, sales promotion which include radio promotions and coupon redemption programs, scan downs, temporary price reductions, print advertising and legal expenditures relating to pending litigation during the period.

Net loss from operations was $456,265 or $0.13 per share for the six months ended June 30, 2001, as compared to a net profit from operations of $464,839 or $0.06 per share for the six months ended June 30, 2000. Net loss was $426,338 or $0.12 per share for the six months ended June 30, 2001, as compared to a net profit of $426,460 or $0.06 per share for the six months ended June 30, 2000. The decrease in income from operations was primarily due to higher co-op, slotting fees for new products and new channels of distribution, sales promotion which include radio promotions and coupon redemption programs, scan downs, temporary price reductions, print advertising and legal expenditures during the period relating to pending litigation.

LIQUIDITY & CAPITAL RESOURCES:

At June 30, 2001, we had a working capital surplus of $7,059 compared to a $501,853 working capital surplus at June 30, 2000. The decrease in working capital is primarily due to a net loss for the period, an increase in accounts payable and an increase in notes payable.

Net cash used in operating activities for the six months ended June 30, 2001 was $(93,104) compared to $355,176 provided by operating activities for the six months ended June 30, 2000. The resulting decrease in cash is primarily due to a net loss for the period, decrease in accounts receivable and an increase in accounts payable.

Cash used in investing activities was $(29,531) for the six months ended June 30, 2001 compared to $(15,550) used in investing activities for the six months ending June 30, 2000. Cash used for investing activities was mainly due to the purchase of the Acutrim trademark. Cash used in 2000 was mainly used for the purchase of equipment.

Net cash provided by financing activities for the six months ended June 30, 2001 was $65,540 as compared to $(8928) cash used in financing activities for the six months ended June 30, 2000. During the six months period ending June 30, 2001, the company received an additional $100,000 line of credit. As of June 30, 2001, a total of $23,334 has been repaid on both lines of credit. Payments were also made on capital leases.

We sell the majority of our accounts receivable to Bank of America at a discount because we do not have sufficient working capital to be able to wait sixty to ninety days to collect these accounts ourselves. The agreement with Bank of America expires September 6, 2001. Because we expect to continue to factor our large pharmacy chain accounts and large health food store accounts in order to support our working capital requirements, we are negotiating with various other entities to provide factoring services to us. We are dependent on factoring our receivables in order to support our working capital needs. There is no assurance that we will be able to factor our accounts receivable in the future at commercially reasonable discount rates that will provide us sufficient working capital or allow us to make a profit. Inability to factor our receivables on commercially reasonable terms could have a material adverse effect on our results of operations.

We may need to raise additional capital in order to expand our inventory levels, product lines and sales in the future, to the extent internal cash flow, supplier credit lines and factoring arrangements are not sufficient. We may attempt to raise additional equity or capital, either through private placements or asset based loans. Additional capital would be directed to expansion of inventory, improved recognition of the Company name and its brands, development of our e-commerce site, participation in additional trade shows and additional advertising for our new products. We have no current arrangements with respect to sources of additional equity financing and there can be no assurance that additional equity or debt financing will be available to us on commercially reasonable terms, or at all.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

Health and Nutrition Systems, International, Inc., Steven Pomerantz and Anthony F. Musso, Plaintiffs, vs. Milton H. Barbarosh, Ricki Barbarosh, Stenton Leigh Group, Inc., Stenton Leigh Capital Corp., and EAI Partners, Inc., Defendants

As previously disclosed, the Company and two of its officers and shareholders, Steven Pomerantz and Anthony Musso, sued Milton H. Barbarosh and Ricki Barbarosh (Milton's wife) and three corporations which are owned or controlled by Mr. Barbarosh, Stenton Leigh Group, Inc., Stenton Leigh Capital Corp., and EAI Partners, Inc. in state court (the Fifteenth Judicial Circuit of Florida in and for Palm Beach County). During the last quarter the defendants have filed a counterclaim. The counterclaim seeks: (1) specific performance on the one hand and damages for breach on the other hand regarding the disputed agreements between the parties, (2) actual damages, treble punitive damages and attorney fees for an alleged conspiracy to commit civil theft in connection with certain disputed shares of the Company's common stock, and (3) indemnification for Stenton Leigh Group under an agreement of February 1995. The Company, Steven Pomerantz and Anthony Musso have moved to dismiss the counterclaim.

J.C. Herbert Bryant, III and KMS-Thin Tab 100, Inc.

The Company has previously reported that it and three of its officers were sued in state court by KMS-Thin Tab 100, Inc. ("KMS"). On May 8, 2001, a judge sitting in the Fifteenth Judicial Circuit of Florida in and for Palm Beach County granted HNS's motion to dismiss all counts in KMS's complaint (against certain officers of the Company without prejudice. Subsequently, KMS revised and re-filed its complaint. On August 8, 2001 the judge heard oral argument on the motion to dismiss KMS's re-filed complaint against those officers.

In addition to the particular legal matters discussed above, the Company, from time to time, is a party to routine litigation incidental to its business. Management does not believe that any of these pending legal proceedings and those listed above, individually or in the aggregate, will materially impact the Company's financial condition or results of operations.

Item 2. Changes in Securities.

On April 2, 2001, we issued 2,500 shares of common stock to Ann Marie Narine and 500 shares of common stock to Rodney Mc Coy to correct the stock transfer records to properly indicate these shares to be issued and outstanding.

On May 22, 2001, we cancelled 25,000 shares of common stock previously issued to TKO International Inc., in connection with TKO's surrender of the shares and the execution of a mutual general release entered into between TKO and the Company dated May 14, 2001.

Item 3. Defaults Upon Senior Securities.

None.

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

Our annual shareholders' meeting was held on June 11, 2001. At the annual meeting, our shareholders were asked to consider and vote upon the following matters:

(1) To elect four (4) directors to hold office until the annual meeting of shareholders in 2002 and until their respective successors are duly elected and qualified; and

(2) To ratify the selection of Daszkal Bolton Manela Devlin & Co. as our independent auditors for the year ending December 31, 2001.

The results of the vote on the election of four directors to serve on the Board of Directors, are as follows:

Director Nominee	Votes For	Votes Against	Votes Abstained/Withheld
Steven A. Pomerantz	3,076,427	0	5,000
Christopher Tisi	3,075,427	0	6,000
Theodore T. Alflen	3,075,927	0	5,500
William A. Husa	3,076,427	0	5,000

The names of the directors whose term of office as a director continued after the meeting are: Steven A. Pomerantz, Christopher Tisi, Theodore T. Alflen, and William A. Husa.

The results of the vote on the ratification of Daszkal Bolton Manela Devlin & Co. as independent auditors for the year ending December 31, 2001, are as follows:

Votes For	Votes Against	Votes Abstained/Withheld
3,080,427	0	5,500

Item 5. Other Information.

On August 6, 2001, at a meeting of the Board of Directors of the Company, Mr. Darryl Green was elected to fill the vacancy on our Board. Mr. Green has been with General Nutrition Centers (GNC) from 1983 until earlier this year, when he resigned. Since 1998, Mr. Green was the Vice President for Sales of GNC. Prior to that, he held various positions in retail operations for GNC, including operation of various corporate and franchise stores in the Southeastern United States.

Item 6. Exhibits and Reports on Form 8-K.

(a) Index and Exhibits: None.

(b) Reports on Form 8-K during the fiscal quarter ended June 30, 2001: None.

SIGNATURE

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.

Dated: August 14, 2001

HEALTH & NUTRITION SYSTEMS
INTERNATIONAL, INC., a Florida corporation
(Registrant)

/s/ Steven Pomerantz

Steven Pomerantz
Chief Executive Officer and Treasurer