

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 SEPTEMBER 30, 2001, OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM
_____ TO _____

COMMISSION FILE NO. 0-10235

GENTEX CORPORATION
(Exact name of registrant as specified in its charter)

MICHIGAN 38-2030505
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

600 N. CENTENNIAL, ZEELAND, MICHIGAN 49464
(Address of principal executive offices) (Zip Code)

(616) 772-1800
(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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE
PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and
reports required to be filed by Section 12, 13 or 15(d) of the Securities
Exchange Act of 1934 subsequent to the distribution of securities under a plan
confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE USERS:

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

Class -----	Shares Outstanding at October 17, 2001 -----
Common Stock, \$0.06 Par Value	75,059,607

Exhibit Index located at page 10

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

GENTEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AT SEPTEMBER 30, 2001 AND DECEMBER 31, 2000

	ASSETS	September 30, 2001 -----	December 31, 2000 -----
CURRENT ASSETS			
Cash and cash equivalents		\$132,027,851	\$110,195,583
Short-term investments		59,792,055	28,246,967
Accounts receivable, net		34,734,753	35,614,669
Inventories		15,658,406	12,087,513
Prepaid expenses and other		5,245,976	4,411,118
		-----	-----
Total current assets		247,459,041	190,555,850
PLANT AND EQUIPMENT - NET		107,871,061	81,919,668
OTHER ASSETS			
Long-term investments		125,552,013	153,016,195
Patents and other assets, net		3,260,928	2,636,980
		-----	-----
Total other assets		128,812,941	155,653,175
		-----	-----
Total assets		\$484,143,043 =====	\$428,128,693 =====
LIABILITIES AND SHAREHOLDERS' INVESTMENT			
CURRENT LIABILITIES			
Accounts payable		\$12,199,260	\$9,328,155
Accrued liabilities		12,616,170	10,363,097
		-----	-----
Total current liabilities		24,815,430	19,691,252
DEFERRED INCOME TAXES		3,730,064	6,333,880
SHAREHOLDERS' INVESTMENT			
Common stock		4,503,576	4,457,465
Additional paid-in capital		103,251,014	92,132,617
Other shareholders' investment		347,842,959	305,513,479
		-----	-----
Total shareholders' investment		455,597,549	402,103,561
		-----	-----
Total liabilities and shareholders' investment		\$484,143,043 =====	\$428,128,693 =====

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30		Nine Months Ended September 30	
	2001 ----	2000 ----	2001 ----	2000 ----
NET SALES	\$74,116,183	\$71,934,236	\$230,587,557	\$222,566,697
COST OF GOODS SOLD	45,685,789	43,384,580	140,067,867	129,389,887
Gross profit	28,430,394	28,549,656	90,519,690	93,176,810
OPERATING EXPENSES:				
Research and development	5,081,973	4,261,318	15,307,817	12,391,317
Selling, general & administrative	4,694,263	4,303,737	14,398,677	12,944,372
Total operating expenses	9,776,236	8,565,055	29,706,494	25,335,689
Income from operations	18,654,158	19,984,601	60,813,196	67,841,121
OTHER INCOME (EXPENSE)				
Interest, net	3,090,374	3,451,845	9,998,150	9,136,141
Other	371,728	53,517	859,698	1,203,921
Total other income	3,462,102	3,505,362	10,857,848	10,340,062
Income before provision for income taxes	22,116,260	23,489,963	71,671,044	78,181,183
PROVISION FOR INCOME TAXES	7,188,000	7,636,000	23,294,000	25,417,000
NET INCOME	\$14,928,260	\$15,853,963	\$48,377,044	\$52,764,183
Earnings Per Share:				
Basic	\$0.20	\$0.21	\$0.65	\$0.71
Diluted	\$0.20	\$0.21	\$0.64	\$0.70
Weighted Average Shares:				
Basic	74,966,071	74,059,344	74,665,184	73,837,033
Diluted	76,140,308	75,442,982	75,842,779	75,602,926

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$48,377,044	\$52,764,183
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	11,723,699	8,397,042
(Gain) loss on disposal of equipment	154,093	5,028
Deferred income taxes	363,198	290,881
Amortization of deferred compensation	698,909	598,116
Change in operating assets and liabilities:		
Accounts receivable, net	879,916	(9,217,574)
Inventories	(3,570,893)	(1,469,501)
Prepaid expenses and other	(657,426)	84,717
Accounts payable	2,871,105	2,349,378
Accrued liabilities	2,253,073	2,388,889
	63,092,718	56,191,159
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in short-term investments	(31,545,088)	(4,306,703)
Plant and equipment additions	(39,001,311)	(18,601,679)
Proceeds from sale of plant and equipment	1,244,285	169,138
(Increase) decrease in long-term investments	18,480,051	(11,433,779)
(Increase) decrease in other assets	(700,974)	(390,005)
	(51,523,037)	(34,563,028)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock and tax benefit of stock plan transactions	10,262,587	10,004,850
	10,262,587	10,004,850
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,832,268	31,632,981
CASH AND CASH EQUIVALENTS, beginning of period	110,195,583	69,227,972
CASH AND CASH EQUIVALENTS, end of period	\$132,027,851	\$100,860,953

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (1) The condensed consolidated financial statements included herein have been prepared by the Registrant, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations, although the Registrant believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Registrant's 2000 annual report on Form 10-K.
- (2) In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only a normal and recurring nature, necessary to present fairly the financial position of the Registrant as of September 30, 2001, and December 31, 2000, and the results of operations and cash flows for the interim periods presented.

In June 1998 and June 2000, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, and SFAS No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities-an amendment of SFAS No. 133, respectively, which establish accounting and reporting standards for all derivative instruments and hedging activities. These statements require an entity to recognize all derivatives as either assets or liabilities in the balance sheet and measure those investments at fair value. Adoption of these pronouncements on January 1, 2001, had minimal effect on the Company's consolidated results of operations, financial position and financial disclosures.

- (3) Inventories consisted of the following at the respective balance sheet dates:

	September 30, 2001 -----	December 31, 2000 -----
Raw materials	\$ 8,823,117	\$ 7,362,544
Work-in-process	1,835,166	1,488,326
Finished goods	5,000,123	3,236,643
	-----	-----
	\$15,658,406	\$12,087,513
	=====	=====

- (4) Comprehensive income reflects the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. For the Company, comprehensive income represents net income adjusted for items such as unrealized gains and losses on certain investments and foreign currency translation adjustments. Comprehensive income was as follows:

	September 30, 2001 -----	September 30, 2000 -----
Quarter Ended	\$9,532,007	\$17,821,122
Six Months Ended	42,532,492	55,498,007

- (5) The increase in common stock and additional paid-in capital during the quarter and nine months ended September 30, 2001, is attributable to the issuance of 238,584 and 768,517 shares, respectively, of the Company's common stock under its stock-based compensation plans.

- (6) The Company currently manufactures electro-optic products, including automatic-dimming rearview mirrors for the automotive industry and fire protection products for the commercial building industry:

Revenue:	Quarter Ended September 30,		Nine Months Ended September 30,	
	2001 ----	2000 ----	2001 ----	2000 ----
Automotive Products	\$68,644,031	\$66,211,955	\$214,176,956	\$206,036,240
Fire Protection Products	5,472,152	5,722,281	16,410,601	16,530,457

Total	\$74,116,183	\$71,934,236	\$230,587,557	\$222,566,697
Operating Income:				
Automotive Products	\$17,530,876	\$18,833,792	\$ 57,474,616	\$ 64,695,351
Fire Protection Products	1,123,282	1,150,809	3,338,580	3,145,770
Total	\$18,654,158	\$19,984,601	\$ 60,813,196	\$ 67,841,121

GENTEX CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS:

THIRD QUARTER 2001 VERSUS THIRD QUARTER 2000

Net Sales. Net sales for the third quarter of 2001 increased by approximately \$2,182,000, or 3%, when compared with the third quarter last year. Net sales of the Company's automotive mirrors increased by \$2,432,000, or 4%, as automatic mirror unit shipments increased by 5% from approximately 1,621,000 in the third quarter of 2000 to 1,704,000 in the current quarter. This increase reflected the commencement of mirror shipments for several mid-size vehicle models and increased penetration of interior electrochromic Night Vision Safety(TM) (NVS(R)) Mirrors on 2002 model year vehicles manufactured overseas. Unit shipments to customers in North America decreased by 2%, primarily due to reduced North American automotive production schedules after the September 11 terrorist attacks, partially offset by the commencement of mirror shipments for several new mid-size vehicles/models. Mirror unit shipments to automotive customers outside North America increased by 17% compared with the third quarter in 2000, primarily due to increased interior mirror shipments to European and Asian-Pacific automakers. Net sales of the Company's fire protection products decreased 4%, primarily due to lower sales of certain of the Company's smoke detectors.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold increased from 60% in the third quarter of 2000 to 62% in the third quarter of 2001. This increased percentage primarily reflected annual customer price reductions to two major automotive customers and the continued excess plant capacity primarily associated with the Company's third automotive mirror manufacturing facility expansion last year.

Operating Expenses. Research and development expenses increased approximately \$821,000, and increased from 6% to 7% of net sales, when compared with the same quarter last year, primarily reflecting additional staffing, engineering and testing for new product development, including mirrors with additional electronic features. Selling, general and administrative expenses increased approximately \$391,000, but remained unchanged at 6% of net sales, when compared with the third quarter of 2000. This increased expense primarily reflected the expansion of the Company's overseas sales and engineering offices.

Other Income - Net. Other income decreased by approximately \$43,000 when compared with the third quarter of 2000, primarily due to declining interest rates on investments, partially offset by higher income from customer reimbursable engineering and tooling projects.

NINE MONTHS ENDED SEPTEMBER 30, 2001 VERSUS NINE MONTHS ENDED SEPTEMBER 30, 2000

Net Sales. Net sales for the nine months ended September 30, 2001, increased by approximately \$8,021,000, or 4%, when compared with the same period last year. Net sales of the Company's automotive mirrors also increased by 4%, as automatic mirror unit shipments increased by 5% from approximately 5,052,000 in the first nine months of 2000 to 5,307,000 in the first nine months of 2001. This increase primarily reflected increased penetration on foreign 2001 and 2002 model year vehicles for interior and exterior electrochromic Night Vision Safety(TM) (NVS(R)) Mirrors. Shipments to customers in North America decreased by 6%, primarily due to reduced industry production levels. Mirror unit shipments to automotive customers outside North America increased by 25% compared with the first nine months in 2000, primarily due to increased interior and exterior mirror sub-assembly shipments to European and Asian-Pacific automakers. Net sales of the Company's fire protection products decreased 1%, primarily due to lower sales of certain of the Company's smoke detectors.

Cost of Goods Sold. As a percentage of net sales, cost of good sold increased from 58% in the first nine months of 2000, to 61% for the comparable period in 2001. This increased percentage primarily reflected automotive customer price reductions, some shifts in mirror product mix, and the continued excess plant capacity primarily associated with the Company's third automotive manufacturing facility expansion last year.

NINE MONTHS ENDED SEPTEMBER 30, 2001 VERSUS NINE MONTHS ENDED
SEPTEMBER 30, 2000

(CONT.)

Operating Expenses. For the nine months ended September 30, 2001, research and development expenses increased approximately \$2,917,000, and increased from 6% to 7% of net sales, when compared with the same period last year, primarily reflecting additional staffing, engineering and testing for new product development, including mirrors with additional electronic features. Selling, general and administrative expenses increased approximately \$1,454,000, but remained at 6% of net sales, when compared with the first nine months of 2000. This increased expense primarily reflected the expansion of the Company's overseas automotive sales and engineering offices to support future growth opportunities.

Other Income - Net. Other income for the nine months ended September 30, 2001, increased by approximately \$518,000 when compared with the first nine months of 2000, primarily due to higher investable fund balances, partially offset by declining interest rates.

FINANCIAL CONDITION:

Management considers the Company's working capital and long-term investments totaling approximately \$348,196,000 at September 30, 2001, together with internally generated cash flow and an unsecured \$5,000,000 line of credit from a bank, to be sufficient to cover anticipated cash needs for the foreseeable future.

TRENDS AND DEVELOPMENTS:

The Company is subject to market risk exposures of varying correlations and volatilities, including foreign exchange rate risk, interest rate risk and equity price risk. There were no significant changes in the market risks reported in the Company's 2000 10-K report.

The Company has some assets, liabilities and operations outside the United States, which currently are not significant. Because the Company sells its automotive mirrors throughout the world, it could be significantly affected by weak economic conditions in worldwide markets that could reduce demand for its products. Industry forecasts of future market conditions have become more uncertain as a result of the terrorist attacks on September 11, 2001. The Company utilizes the forecasting services of J.D. Power and Associates, and its current forecasts for light vehicle production for calendar 2002 are approximately 15.9 million for North America, and 16.0 million for Western Europe.

In addition to price reductions over the life of its long-term agreements, the Company continues to experience pricing pressures from its automotive customers, which have affected, and which will continue to affect, its margins to the extent that the Company is unable to offset the price reductions with productivity improvements, engineering and purchasing cost reductions, and increases in unit sales volume. In addition, the Company continues to experience from time to time some pressure for select raw material cost increases.

The Company currently supplies NVS(R) Mirrors to DaimlerChrysler AG and General Motors Corporation under long-term agreements. The long-term supply agreement with DaimlerChrysler AG runs through the 2003 Model Year, while the GM contract is through the 2004 Model Year for inside mirrors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information called for by this item is provided under the caption "Trends and Developments" under Item 2 - Management's Discussion and Analysis of Results of Operations and Financial Condition.

Statements in this Quarterly Report on Form 10-Q which express "belief", "anticipation" or "expectation" as well as other statements which are not historical fact, are forward-looking statements and involve risks and uncertainties described under the headings "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Trends and Developments" that could cause actual results to differ materially from those projected. All forward-looking statements in this Report are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) See Exhibit Index on Page 10.
- (b) No reports on Form 8-K were filed during the three months ended September 30, 2001.

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.

GENTEX CORPORATION

Date: 10/31/01

/s/ Fred T. Bauer

Fred T. Bauer
Chairman and Chief
Executive Officer

Date: 10/31/01

/s/ Enoch C. Jen

Enoch C. Jen
Vice President - Finance,
Principal Financial and
Accounting Officer

EXHIBIT INDEX

Exhibit No.	Description	Page
3(a)(1)	Registrant's Articles of Incorporation were filed in 1981 as Exhibit 2(a) to a Registration Statement on Form S-18 (Registration No. 2-74226C), an Amendment to those Articles was filed as Exhibit 3 to Registrant's Report on Form 10-Q in August of 1985, an additional Amendment to those Articles was filed as Exhibit 3(a)(1) to Registrant's Report on Form 10-Q in August of 1987, an additional Amendment to those Articles was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-K dated March 10, 1992, an Amendment to Articles of Incorporation, adopted on May 9, 1996, was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-Q dated July 31, 1996, and an Amendment to Articles of Incorporation, adopted on May 21, 1998, was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-Q dated July 30, 1998, all of which are hereby incorporated herein be reference.	
3(b)(1)	Registrant's Bylaws as amended and restated August 18, 2000. were filed on Exhibit 3(b)(1) to Registrant's Report on Form 10-Q dated October 27, 2000, and the same is hereby incorporated herein by reference.	
4(a)	A specimen form of certificate for the Registrant's common stock, par value \$.06 per share, was filed as part of a Registration Statement on Form S-18 (Registration No. 2-74226C) as Exhibit 3(a), as amended by Amendment No. 3 to such Registration Statement, and the same is hereby incorporated herein by reference.	
4(b)	Amended and Restated Shareholder Protection Rights Agreement, dated as of March 29, 2001, including as Exhibit A the form of Certificate of Adoption of Resolution Establishing Series of Shares of Junior Participating Preferred Stock of the Company, and as Exhibit B the form of Rights Certificate and of Election to Exercise, was filed as Exhibit 4(b) to Registrant's Report on Form 10-Q dated April 27, 2001, and the same is hereby incorporated herein by reference.	
10(a)(1)	A Lease dated August 15, 1981, was filed as part of a Registration Statement (Registration Number 2-74226C) as Exhibit 9(a)(1), and the same is hereby incorporated herein by reference.	
10(a)(2)	A First Amendment to Lease dated June 28, 1985, was filed as Exhibit 10(m) to Registrant's Report on Form 10-K dated March 18, 1986, and the same is hereby incorporated herein by reference.	
*10(b)(1)	Gentex Corporation Qualified Stock Option Plan (as amended and restated, effective August 25, 1997) was filed as Exhibit 10(b)(1) to Registrant's Report on Form 10-Q, and the same is hereby incorporated herein by reference.	
*10(b)(2)	Gentex Corporation Second Restricted Stock Plan was filed as Exhibit 10(b)(2) to Registrant's Report on Form 10-Q dated April 27, 2001, and the same is hereby incorporated herein by reference.	

Exhibit No.	Description	Page
*10(b)(3)	Gentex Corporation Non-Employee Director Stock Option Plan (as amended and restated, effective March 7, 1997), was filed as Exhibit 10(b)(4) to Registrant's Report on Form 10-K dated March 7, 1997, and the same is incorporated herein by reference.	
10(e)	The form of Indemnity Agreement between Registrant and each of the Registrant's directors was filed as a part of a Registration Statement on Form S-2 (Registration No. 33-30353) as Exhibit 10(k) and the same is hereby incorporated herein by reference.	

*Indicates a compensatory plan or arrangement.