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MISSION STATEMENT. To be a smarter organization; a world-class manufacturer with superior products and service driven by a supportive work culture that encourages people to innovate, excel and continually improve every aspect of the business.

EXCHANGE/SYMBOL. The Nasdaq Stock Market®/GNTX

Certain matters discussed in this annual report are "forward-looking statements," which involve certain risks and uncertainties, and are subject to change based on various market, industry and other important factors. The Company cautions investors that numerous factors (as outlined in the Company's Form 10-K filed with the Securities and Exchange Commission and other interim reports) in some cases may affect in the future the Company's actual results, and may cause those results to differ materially from those expressed in this annual report.

Introduction and Corporate Profile

25 YEARS OF INNOVATION

1999 was Gentex's 25th anniversary – 25 years of innovation! While the desire to linger in the glory of past accomplishments is natural – and perhaps even excusable at such a milestone – it's not necessarily healthy. While the past can help to clarify the future, today's heightened expectations on corporate performance demand a "what-have-you-done-for-me-lately" mindset that continually focuses on increasing shareholder value.

But that's fine with us. Nothing excites a technology company more than talking about the future and what it may hold. So on the following pages, we hope to strike a balance. We'll provide an overview of Gentex that – like our rearview mirrors – allows you to glimpse backwards at the past while keeping your attention focused firmly on what lies ahead.

As a shareholder (or potential shareholder), we hope you'll take pride in Gentex's past accomplishments; however, after reading this report, we trust you'll be even more excited about what's in store for the future.

CORPORATE PROFILE

Founded in 1974, Gentex Corporation develops, manufactures and markets proprietary electro-optical products. The Company is the recognized world leader in the manufacture of electrochromic, automatic-dimming mirrors for the auto industry, and maintains an extensive line of fire protection products, including smoke detectors and advanced signaling devices. Gentex also recently developed a revolutionary high-intensity LED (light-emitting diode) technology that has the potential to have a tremendous impact on a wide variety of industries.

Fast Facts

1999 Revenues:	\$262 million
No. of Employees:	1,421
Divisions:	1. Automotive Products (92% of revenues) 2. Fire Protection Products (8% of revenues)
Main Products:	1. NVS® automatic-dimming mirrors and related electronic features and displays 2. Smoke detectors, fire alarms and signaling devices
Locations:	Three facilities (fourth under construction) in Zeeland, Michigan; an automotive sales office in Livonia, Michigan; automotive sales and engineering subsidiaries in Germany, Japan, France and the United Kingdom; and four regional offices for the Fire Protection Products Group.

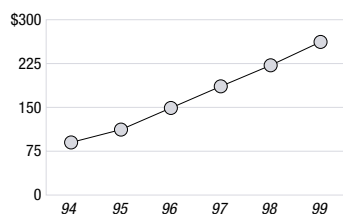
Financial Summary: Six-Year Highlights

For the years ended December 31,	1994	1995
Net Sales	\$89,762	\$111,566
Operating Income	22,972	24,962
Net Income	16,466	18,895
Earnings Per Share – Diluted	\$ 0.24	\$ 0.28
Return on Average Equity	27.2%	22.7%
Weighted Average Shares Outstanding – Diluted	67,975	68,511
Number of Shareholders ¹	10,127	12,120
Total Assets	80,490	109,244
Working Capital	27,699	42,011
Current Ratio	4:1	4:1
Cash, and Short- and Long-Term Investments	45,613	66,424
Plant and Equipment – Net	17,173	18,942
Long-Term Debt, including current maturities	0	0
Shareholders' Investment	71,375	94,672
Return on Average Assets	24.3%	19.9%
Capital Expenditures	6,160	4,862
Depreciation and Amortization	2,984	3,202
Market Performance:		
High	8 ¹³ / ₁₆	6 ¹ / ₁₆
Low	4 ¹ / ₂	3 ¹⁵ / ₁₆
Number of Employees	678	791

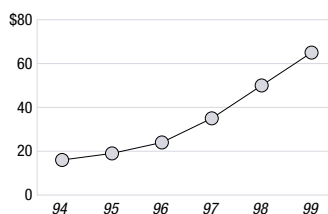
¹ Includes registered and estimated "street name" shareholders.

In thousands, except current ratio, per share data, return on average equity, return on average assets, market performance data, and number of employees and shareholders. All per share data have been adjusted to reflect the two-for-one stock splits effected in the form of 100 percent common stock dividends issued in June 1996 and June 1998. A 15-year summary of financial data is on pages 40 and 41.

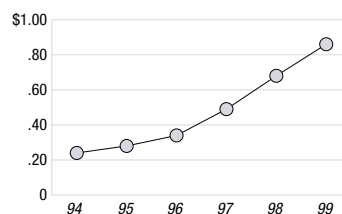
Net Sales (in millions)



Net Income (in millions)



Earnings Per Share



1996	1997	1998	1999	Change 1999 vs. 1998
\$148,708	\$186,328	\$222,292	\$262,155	18%
31,840	47,482	67,343	85,522	27%
23,963	35,230	50,307	64,864	29%
\$ 0.34	\$ 0.49	\$ 0.68	\$ 0.86	26%
21.5%	23.4%	24.5%	23.4%	
71,025	71,962	73,617	74,996	2%
21,458	15,800	19,669	28,186	43%
140,378	189,783	254,890	337,673	32%
61,335	61,328	100,510	121,745	21%
6:1	5:1	8:1	8:1	
82,479	111,422	152,807	220,551	44%
31,575	42,239	59,360	71,338	20%
0	0	0	0	
127,804	173,205	237,008	317,051	34%
19.2%	21.3%	22.6%	21.9%	
16,424	16,383	24,596	21,968	-11%
3,919	6,418	7,523	9,657	28%
13%	14%	22	34%	
5%	8%	10%	16	
1,018	1,334	1,400	1,421	2%

Letter to Shareholders

TO OUR SHAREHOLDERS:

March 10, 2000

It all started a little over 25 years ago in a small storefront in Holland, Michigan. Today, we're a company with over \$260 million in annual revenues and a market capitalization that exceeds \$2 billion.

Through the years, we have worked very hard to maintain the culture and work ethic that was born in that storefront. What has resulted is a company with a very unique entrepreneurial culture more often found in Silicon Valley than in the industrial Midwest.

For those of you who have followed the Company over the years, we believe that you are realizing now more than ever that Gentex truly is a technology company that just happens to have over 90 percent of its current revenues coming from the automotive industry. With the advent of new technologies – both recently announced and yet to be introduced – we believe that we will continue to derive a significant portion of our revenues from the automotive sector, but some of the new technologies also may afford us substantial opportunities outside the automotive industry.

For instance, the new high-brightness light-emitting diode (LED) technology that we announced on December 2, 1999, has the potential to be an even larger business for the Company than auto-dimming rearview mirrors (and we've only scratched the surface of that market). The new, proprietary LED technology gives Gentex an edge over any other company packaging LED chips for assemblies in and outside the automotive industry because our invention allows us to obtain up to ten times the brightness out of an off-the-shelf LED chip. This means we can achieve the same light level with far fewer LEDs.

What's even more unique about the new technology is that Gentex found a way to produce very bright *white* light from a combination of only two colored LED chips – something that has never been accomplished before in a cost-effective manner. These new high-intensity white LEDs have the potential to replace many incandescent lamps in vehicles, aircraft, homes, etc. – virtually any place that requires high reliability, compactness, low current draw, low heat generation and resistance to shock.

**It all started a little over 25 years ago
in a small storefront in Holland, Michigan.**



The LED technology was born out of an automotive customer's request. We were producing auto-dimming rearview mirrors with the digital compass feature for that customer, but then we were asked to add map/reading lights to that product. In previous base-mirror applications where map lights were needed, we used incandescent lamps because there was no alternative. However, incandescent lamps get very hot and degrade the performance of electronics, so we knew that we needed to develop a "cool" light solution in order to make this application, with its heavy electronic content, a successful product.

The first generation of LED white-light illuminators has been in production on the Oldsmobile Intrigue GLS for over two years, and can currently also be found in the Lincoln Continental, Plymouth Prowler and the Buick GL (in China). We think the first generation works well as an illuminator (in map lights); however, when directly viewed, both LED colors are evident. The second generation that was announced on December 2 is a quantum leap over generation one and appears white upon direct viewing. So, we can now use these white LEDs as signals as well as illuminators. Some examples of signals/illuminators that use white lights include automotive back-up lights and the cargo lamps that illuminate the bed of a pickup truck, which are typically part of the center, high-mounted stop lamp (CHMSL) assembly. These applications have used incandescent lamps to date out of necessity, but we believe that this new white LED technology has a good chance of replacing incandescent lamps in those and other applications.

The automotive and most other industries don't need to be sold on the advantages of LEDs. They know that LEDs have an extremely long life (likely will outlast the life of the vehicle), generate little heat, are more shock resistant, have low current draw and, most importantly, have a lower total cost of ownership. One of our automotive customers has told us that its warranty costs for incandescent lamps during the first three years of vehicle ownership is higher than the actual cost to purchase those components. The use of LEDs in automotive and other applications has significant trickle-down advantages to the manufacturer in terms of cost: no need to design for replacement, no need to use insulating materials around the LEDs because they generate very little heat, and a major reduction in the size and capacity of electrical systems. In model year 2000, about 30 percent of the CHMSL assemblies on light vehicles in North America are using red LEDs (instead of using white incandescent bulbs with a red lens). Most manufacturers for those LED components require between 12 and 50 red LEDs to meet automaker lighting and styling requirements; Gentex's new technology would require as few as four red LEDs to meet the same lighting specifications.



NEW LED TECHNOLOGY. Senior Research Scientist John Roberts tests Gentex's new white-light LEDs.

LEDs have an extremely long life (likely will outlast the life of the vehicle), generate little heat, are more shock resistant, have low current draw and, most importantly, have a lower total cost of ownership.



NEW SENSOR TECHNOLOGY. *Gentex Electronics Research Engineer Joe Stam works on advanced photosensors and controllers.*

Various other technologies are under development at Gentex, including several that utilize the Photobit active light sensor (camera-on-a-chip) technology.

Wall Street has been extremely receptive to the announcement of this new technology. One auto parts analyst even coined the day we introduced the technology as “White Thursday” – a day that he believes everyone will remember for years to come because of the potential for this new technology. There is significant interest from our automotive customers and other industries as well. While we share this enthusiasm, we still have a lot of work to do to validate the product for automotive and other applications. This new LED product fits well within our manufacturing capabilities, and everything looks very good and is on track so far. We could potentially see products using this new technology within the next 12-18 months.

Another technology the Company has been working on and recently introduced is a global communications/navigation mirror that serves as the driver interface for the OnStar® system. OnStar is the in-vehicle safety, security and information service that uses Global Positioning System (GPS) satellite technology and wireless communication to link the driver and vehicle to a 24-hour operator network that provides real-time, person-to-person assistance. The first-generation OnStar mirror has all of the operator and emergency services “call” buttons, as well as the microphone. Future generations will likely have additional features including voice recognition. Gentex currently is shipping automatic-dimming OnStar mirrors for seven General Motors vehicle models, and additional models will be added throughout the next several years. We estimate that this new OnStar business could add up to \$50 million in incremental annualized revenues within three years. And, while General Motors is the first automaker to utilize the OnStar mirror, we expect that other automakers will recognize the benefits of the OnStar system and the ease of offering communication/navigation system interfaces in a rearview mirror.

Various other technologies are under development at Gentex, including several that utilize the Photobit active light sensor (camera-on-a-chip) technology. Photobit has developed what many believe to be the best high-resolution, active light sensing technology available on the market today. You may remember that Gentex made a small equity investment in that Pasadena, California-based start-up about three years ago. We currently own about eight percent of Photobit, and in exchange for our equity investment we received exclusive rights for certain automotive applications utilizing Photobit’s technology. We expect to show our first automotive products with active light sensors to customers during calendar 2000.

The Company also announced on December 2 that it had made a breakthrough in a new type of electrochromic technology for architectural “smart” window applications. The new technology appears to be far better suited for windows applications than any others we have tested, but we believe that more testing is required before we’re ready to introduce any window-type products. There are also significant packaging and process hurdles that must be overcome prior to commercialization. Durability testing

of small windows is continuing in in-house weathering chambers, and larger window assemblies are being built that will be tested for at least one year under the extreme actual temperatures of Arizona. We remain positive about the long-term prospects for this technology, and our goal is to continue our work in this area to ensure that we can provide consumers with a durable, quality product.

1999 was another very good year for Gentex. The Company achieved record revenues of \$262.2 million for the year ended December 31, 1999, an 18 percent increase over 1998 revenues of \$222.3 million. Net income in 1999 increased by 29 percent to \$64.9 million, compared with net income of \$50.3 million for calendar 1998. Diluted earnings per share increased by 26 percent from 68 cents in 1998 to 86 cents in 1999.

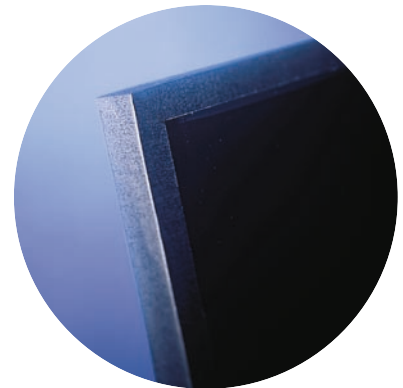
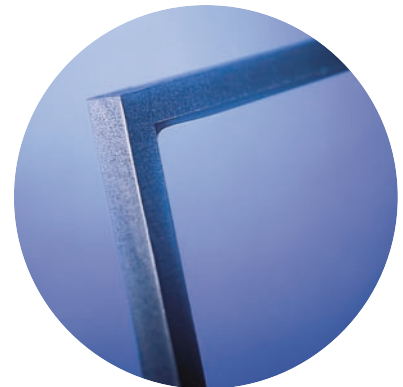
Our record revenues were fueled by continued strong growth in unit shipments of our electrochromic Night Vision Safety™ (NVS®) Mirrors. Shipments to automotive customers in 1999 increased to a record 6.0 million units, compared with 4.9 million units in 1998. Total exterior mirror units shipped in 1999 were 2.0 million, compared with 1.6 million units in 1998.

Unit shipments of NVS Mirrors to offshore automakers increased by 20 percent and represented 32 percent of total unit shipments in 1999. Unit shipments to automakers outside North America were 1.8 million in 1999 compared with 1.5 million units in 1998. In North America, NVS Mirror unit shipments increased by 22 percent in 1999 compared with 1998.

Based on J.D. Power's current expectations for North American light vehicle industry production in calendar year 2000 (down four to five percent versus 1999), we expect our growth in automotive unit shipments to be in the range of 15 to 20 percent this year. We believe, however, that our unit shipments could potentially continue to grow, on average, by 20-25 percent over the next five years.

Our confidence in our future growth is evidenced by the fact that we are nearing the completion of construction on a new, 170,000-square-foot automotive products manufacturing facility that will effectively double our facility capacity for mirrors to 14 million units annually. With the growth prospects we see coming over the next several years from Japan, Europe and North America, we believe the new building will provide us with sufficient facility capacity for the next three to four years.

We believe that you will soon see auto-dimming rearview mirrors in mid-sized, family vehicles such as the Toyota Camry, Honda Accord and Ford Taurus. That's a vehicle segment we have been striving to penetrate for many years, and believe that our efforts will soon come to fruition.



GENTEX SMART WINDOWS. *Smart windows for automotive and architectural applications would dim on demand or upon sensing sunlight. They would help reduce the heating and cooling loads on vehicle and building HVAC systems.*

We have significant growth opportunities in Japan over the next three years, especially at Toyota, and are very encouraged by its plans for adding our auto-dimming mirrors to their vehicle lines in Japan and throughout the world. Europe is another area that should grow significantly during that time frame. To support that growth, we brought in automotive industry veteran Jim Hollars as Senior Vice President – International. Hollars has nearly 35 years of automotive experience, beginning at Chrysler Corporation, followed by 26 years with Lear Corporation, including six years in Germany. Also, in mid-1999, we opened a sales and engineering office in Coventry, England, and in March 2000 we opened an office in Paris, France, to serve our growing customer base in these regions.

Revenues in the Fire Protection Products Group were up four percent to \$21.1 million for 1999 as compared with 1998. The Group experienced increased sales of its AC/DC smoke detectors and a new, low-current-draw horn/strobe product, which was partially offset by decreased sales of certain remote signaling devices during 1999. As more customers become aware of the advantages of our new horn/strobe product, we hope that demand for it will increase in 2000.

In addition, we are developing a new smoke detector product that could re-fuel the growth in the Fire Protection Products Group. That detector is expected to combine some of the advantages of both ionization and photoelectric smoke detectors. Ionization detectors are good at detecting flash fires, but are slow to detect smoldering fires that typically are the cause of death due to smoke inhalation. The photoelectric detectors that Gentex currently manufactures are very good at detecting slow smoldering fires. Combining the benefits of both types of detectors in one unit using the more reliable photoelectric method could prove to provide the first real advancement in smoke detectors in over 15 years. That new product is currently under development and we hope to introduce it to the industry in 2001.

The Company again achieved an excellent gross margin for calendar 1999. The improved gross margin is attributable to higher volume unit shipments of the Company's NVS® Mirrors; higher capacity utilization of the Company's State Street mirror manufacturing facility; and reduced materials cost and higher yields on certain mirror products due to the installation of an in-house coating line last year. That coating equipment has been used only for exterior mirrors, and the Company recently took delivery of the first prototype in-line coater for interior mirror products. We're currently developing the processes for that coater, and hope to begin gradually integrating it and other coaters into production later in the year. While we don't expect that the in-house coating of interior mirrors will have nearly the positive effect on our gross margin that the coater did for exterior mirrors, we are hopeful that it will reduce costs due to better quality.



The continued integration of advanced electronic features into our interior mirror products also contributes positively to our gross margin. For instance, if we had previously been selling only a base-feature auto-dimming mirror to a customer, but then add one or more electronic features to that product for the following model year, the additional costs of the features helps us to offset our annual price reductions. Adding more electronic features to our auto-dimming mirrors is a trend that we expect to continue. Along those lines, we have a strategic alliance with Johnson Controls, Inc. to integrate its PathPoint® compass/temperature and HomeLink® features into our mirrors, which we believe gives us an edge over the competition. HomeLink is a universal transceiver that can learn the codes for up to three remote-controlled devices, including garage doors, home lighting, entry door locks and security systems. HomeLink activates these features at the touch of a button. Unit shipments of advanced feature interior auto-dimming mirrors (including compass, temperature, headlamp control, etc.) now account for over 40 percent of all interior mirror shipments, and we expect that will continue to grow.



HOMELINK MIRROR. *Gentex has an exclusive license to integrate Johnson Controls' HomeLink® universal transceiver into rearview mirrors.*

As we believe you'll agree, Gentex has significant potential for growth – both in and outside the automotive industry – over the next several years. We've come a long way in past 25 years, and hope to make as much or more progress in the next quarter century. Your continued support as shareholders has always been important to us, and we hope that we can continue to reward you by fulfilling our dreams for our existing technology and by investing in new technologies for the new millennium.

Adding more electronic features to our automatic-dimming mirrors is a trend we expect to continue.

Best regards,

Fred T. Bauer
Chairman & Chief Executive Officer

Kenneth L. La Grand
Executive Vice President & Director

Manipulating Light



Light is an amazing thing. The right amount illuminates, signals and brightens; too much can blind, distract and annoy. To be useful, light must be controlled, but since it also tends to reflect, refract and behave in other potentially troublesome ways, this is no easy task.

But no one controls light better than Gentex. Nearly every development in the Company's 25-year history stems from a seemingly uncanny ability to manipulate light – the ability to detect it, control it and even create it.

DETECTING LIGHT: *SENSORS*

Manipulating light begins by detecting its presence. Over the years, Gentex has developed a series of photo sensors capable of determining the type, intensity and direction of light.

Their first application came in 1974 when we placed two photocells, along with an infrared light-emitting diode, or LED, within a smoke detector's sensing chamber. Smoke entering the device refracted the LED's light beam onto the sensors, which in turn triggered the alarm. Gentex in effect manipulated light in order to detect smoke.

The result was a device less prone to false alarms yet quick to detect slow, smoldering fires. Photoelectric sensing revolutionized the fire protection industry, and became the standard method of smoke detection for commercial applications worldwide.

A similar photoelectric sensing technology to that used in smoke detection made possible the automatic-dimming mirror. In the late 1970s, Gentex began experimenting with photoelectric sensors in automotive mirrors in hopes of reliably sensing and eliminating the dangerous rearview mirror glare generated by the headlamps of trailing vehicles.

By 1982, Gentex had introduced the world's first automatic-dimming mirror. Upon detecting glare, the photoelectric sensors triggered a motor that mechanically moved the mirror from its "normal" to "dim" position. Similar sensors are used in what is perhaps the Company's most notable product to date – the electrochromic automatic-dimming mirror, which was introduced in 1987.

Gentex continues to develop new, next-generation light sensors for use in fire protection and automotive applications. We're currently involved in several joint development programs with our strategic partner, Photobit Corporation, the world's leading developer of CMOS "camera-on-a-chip" image sensors. The resulting products stand to have potential applications in and outside the automotive industry.



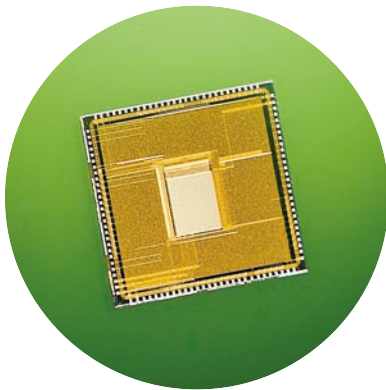
FIRST SENSOR. *The original photo sensor used in our fire protection products.*

EARLY FIRE PROTECTION PRODUCT. *Gentex's photoelectric smoke detectors were the first to actually "see" smoke and signal an alarm.*

FIRST AUTOMATIC-DIMMING MIRROR. *Our original automatic-dimming mirror used a miniature motor to move the mirror from its clear to dim position.*

So what's next when it comes to manipulating light through light sensing?
What may the future hold?

- **Image Sensors/Smart Controllers** – Gentex continues to collaborate with Photobit on several “next-generation” sensing devices and related applications.
- **Rear Vision Systems** – Gentex also continues to investigate and develop rear vision systems that would combine next-generation sensors with video displays to monitor the surrounding traffic environment.
- **Better Smoke Detectors** – Gentex is developing new, better methods of detecting smoke that could further increase the accuracy and reliability of smoke detectors for commercial and residential applications.



CAMERA-ON-A-CHIP. *Tiny cameras are being developed to help Gentex pioneer rear-vision systems.*

COMMANDER II. *Once we detect smoke, Gentex's new low-frequency evacuation horn/strobe combination sounds an alarm.*

CONTROLLING LIGHT: *ELECTROCHROMICS*

Gentex is best known today for harnessing the light-management technology called electrochromics, which is the process of darkening various materials by applying electricity. For more than 50 years, the scientific community and several large corporations sought to develop commercially viable products using electrochromics; however, none were successful until Gentex unveiled the world's first solution-phase, electrochromic (automatic-dimming) rearview mirror in 1987.

Electrochromics allowed us to create variably dimmable rearview mirrors. Instead of having just two stages (clear and dim), Gentex mirrors could now dim to the exact level required to eliminate glare. Automakers quickly adopted the mirrors as a safety feature because they prevented the temporary “night blindness” that occurs when glare from trailing vehicle headlamps contacts your eyes. Studies show that electrochromic mirrors help drivers react faster to hazards presenting themselves on the road ahead.

Over the years, we've refined our electrochromic technology and the gels, seals and electronics that make it possible. Today, we are the only automatic-dimming mirror manufacturer whose mirrors either meet or surpass the stringent, worldwide automotive specifications for durability and visual acuity.

But perhaps the greatest change in our mirrors has been the addition of advanced electronic features and displays. Our strategy has been to make the mirror a preferred location for information displays as well as the interface for advanced communication devices. Today, over 40 percent of our mirrors come with some type of value-added feature, including compass displays, temperature readouts, automatic headlamp control, remote keyless entry receivers, garage door openers, map lamps, trip functions, global positioning system controls, and more.

So what's next when it comes to controlling light through electrochromics? What may the future hold?

- **Electrochromic Architectural Windows** – Gentex continues to develop “smart glass” that will dim upon demand or upon sensing sunlight. Potential applications include skylights and building atrium glass. Prototypes are currently being tested under the harsh Arizona sun.
- **Electrochromic Automotive Windows** – Smart-glass is also being researched for automotive applications such as sunroofs and windows.
- **Gels and Coatings** – Gentex is developing new gels that would decrease light transmission, further reduce glare and allow for reduced-weight mirrors. New coatings are underway that would help shed water on exterior mirrors.

CREATING LIGHT: *HIGH-BRIGHTNESS LEDs*

Since its inception, Gentex has been developing technologies to manipulate and control light. But in late 1999, Gentex announced a new technology for actually creating light. This new LED technology stands to be one of the most exciting corporate developments in the Company's history. Still, skeptics wonder how an “automotive supplier” or “mirror company” could come up with an LED technology that has seemingly eluded the world's lighting industry.

Well, first and foremost, Gentex is an electronics company that just happens to currently make mostly automotive products. We've worked with LEDs throughout our 25-year history, incorporating them into our smoke detectors and rearview mirrors. For years, we've researched LED technology in earnest as we sought to overcome the inherent limitations of incandescent bulbs in automotive applications.



Today, over 40 percent of our mirrors come with some type of value-added feature, including compass displays, temperature readouts, automatic headlamp control, remote key-less entry receivers, garage door openers, map lamps, trip functions, global positioning system controls, and more.

FIRST ELECTROCHROMIC MIRROR. In 1982, Gentex introduced the world's first electrochromic auto-dimming mirror.

COMPASS/TEMPERATURE. Gentex was the first to add compass and temperature displays – two of the most popular automotive features – to the rearview mirror.

DUAL DISPLAY. Our dual display mirror allows the driver to view the compass and temperature at the same time.

LED MAP LAMPS. Our white-light LED lamps are compact, generate little heat and last for the life of the car.

TRIP FUNCTIONS. This advanced-feature mirror displays distance to empty, instantaneous fuel economy, trip odometer reading and other useful information.

TRANSFLECTIVE MIRROR. Our revolutionary transflective coating allows the mirror face to function as a display, as demonstrated by this Mercedes taxi cab mirror.

ONSTAR®. A Gentex mirror serves as the driver interface for OnStar, the in-vehicle safety, security and information service using GPS satellite technology.

The Creation of White Light. LEDs, or light-emitting diodes, are semiconductor diodes that radiate light when a current is applied. They are readily available and produced by the billions each year. However, because LEDs are always colored, they've been relegated for use as signaling devices, indicators and other displays designed for direct viewing. They've never been used as an illuminator – a light source that projects light onto other objects for the purpose of making them more visible.

Gentex's technology harnesses "additive color mixing," which is the science of creating white light by proportionally mixing other colors. We engineered a method of combining amber and blue/green LEDs to produce synthetic white light capable of illumination. For the first time, affordable, efficient and durable white light is available from LEDs, and we've secured a patent (with other patents pending) on what are called "binary, complementary synthetic-white LED illuminators."

Incandescent vs. LEDs – A Comparison

Incandescents

- Generate intense heat
- Relatively high current draw
- Last around 3 years
- Suddenly burn out
- Fragile, susceptible to shock
- Hard to control lighting patterns
- Relatively high total cost-of-ownership
- Relatively large and bulky
- Styling limitations
- Hand installation necessary

LEDs

- Remain cool
- Low current draw
- Last up to 15 years
- Dim with age
- Extremely durable
- Ability to control lighting patterns
- Relatively low total cost-of-ownership
- Compact
- Afford new styling opportunities (no need to design for replacement)
- Vertically integrated, automated assembly



GENERATION I LEDs. Gentex's original white-light illuminator consisted of six LEDs housed in a diffusion pod. They can be found in the rearview mirrors of a variety of passenger cars. Upon direct viewing, the two LED colors that together produce the white light are clearly visible.

GENERATION II LEDs. Our second-generation technology generates intense light (synthetic white and other colors) from a single LED, allowing them to be used in illumination and signaling applications.

Other Potential LED Applications

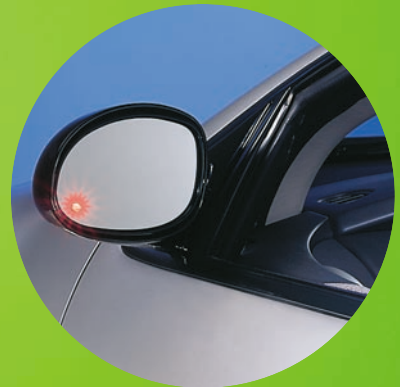
FLASHLIGHTS Perfect for compact, durable, high-intensity hand-held lighting devices.

**AIRCRAFT/
AEROSPACE/
MARITIME** For general cabin illumination, interior lighting, reading lamps, instrumentation lighting, displays, emergency exit floor lighting, etc.

APPLIANCES General illumination and ambience lighting for home appliances, including microwaves, ranges, refrigerators, computers, security systems, etc.

HOME INTERIORS For general room illumination and accent lighting, including track lights, under-counter/cabinetry lights, recessed lighting, etc.

OFFICE FURNITURE Illumination for office areas and panel-system environments, including task lights, desk lamps, overhead storage lighting, etc.



CHMSL. As few as four red Gentex LEDs can do the job of 12 to 50 high-brightness red LEDs in a center high-mounted stop lamp (CHMSL), significantly reducing complexity and yielding tremendous space and cost savings.

CARGO BED LIGHTING.
A potential white light application.

TURN SIGNAL MIRROR. Gentex LEDs are up to 10 times brighter than others on the market today, making them an efficient, cost-effective and attractive alternative for turn-signal indicators and other displays.

Seeing the Light: Potential Automotive Applications for Gentex High-Brightness LEDs



INTERIOR APPLICATIONS

- Map lamps
- Passenger reading lights
- PRNDL/gear selector lighting
- Dome lights
- Interior door lights
- Instrument panel lights & displays
- Ambience lighting
- Trunk lights



Signal mirrors, approach lighting,
and exterior security lighting

Running board and footwell lighting

LED Intensity. But we didn't stop there. In order to minimize cost and complexity, we needed to increase the light output, or intensity of each LED. In response, our scientists developed a proprietary package that houses the LED chips, or dies. This unique housing allows us to apply more current to the dies, which in turn yields a device up to 10 times brighter than traditional LEDs. The new design is not limited to synthetic white LEDs, but also allows us to significantly enhance the intensity of other colors of LEDs, including red, amber, blue, blue-green and green. Industry experts who have previewed our design predict that all LEDs may one day incorporate aspects of our design, so naturally, we're aggressively patenting this portion of the technology as well.

Potential Applications. Obviously, there are numerous applications for high-intensity white LED illuminators in automobiles, including overhead-mounted map lamps; dome lights; lighting for cargo beds, trunks, footwells, and doors; back-up lighting; parking lighting; approach lighting; license plate illuminators; etc.

But the potential grows exponentially when considering other industries. Imagine every place a compact, durable lighting source is needed – flashlights, aircraft, appliances, home interiors, office furniture, etc. – and you have potential uses for our LED technology. White-light LED illumination is easily a potential multi-billion dollar a year industry.

Impact on product design also stands to be dramatic. Currently, any product that incorporates incandescent lighting is designed with the idea that the bulb will some day be replaced. In addition, the product must be designed to allow heat to dissipate. Designers will now be able to design products based more on form and function and less on bulb replacement or heat.

So what's the next step with Gentex's new LED technology?

- We're currently meeting with automotive customers, lighting companies and others to determine potential applications.
- We're also tooling the parts necessary to manufacture the proprietary LED housing, or package.
- Our long-term goal is to manufacture LED illuminator subassemblies for customers in a wide variety of industries.

Report of Independent Auditors

To the Shareholders of Gentex Corporation:

We have audited the accompanying consolidated balance sheet of Gentex Corporation and subsidiaries as of December 31, 1999, and the related consolidated statements of income, shareholders' investment and cash flows for the year then ended (included on pages 24-37). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Gentex Corporation and subsidiaries for the two years ended December 31, 1998, were audited by other auditors whose report dated January 21, 1999, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1999 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gentex Corporation and subsidiaries at December 31, 1999, and the consolidated results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Grand Rapids, Michigan
January 21, 2000

Management's Discussion and Analysis of Results of Operations and Financial Condition

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated certain items from the Company's Consolidated Statements of Income expressed as a percentage of net sales and the percentage change of each such item from that in the indicated previous year.

Year Ended December 31	Percentage of Net Sales			Percentage Change	
	1999	1998	1997	1999-1998	1998-1997
Net Sales	100.0%	100.0%	100.0%	17.9%	19.3%
Cost of Goods Sold	56.8	59.3	63.8	12.8	10.9
Gross Profit	43.2	40.7	36.2	25.4	34.1
Operating Expenses:					
Research and Development	5.2	5.0	4.9	25.2	21.0
Selling, General and Administrative	5.4	5.4	5.8	16.5	11.5
Total Operating Expenses	10.6	10.4	10.7	20.7	15.8
Operating Income	32.6	30.3	25.5	27.0	41.8
Other Income	4.1	3.3	2.5	46.1	55.5
Income Before Provision for Income Taxes	36.7	33.6	28.0	28.9	43.1
Provision for Income Taxes	12.0	11.0	9.1	28.7	43.6
Net Income	24.7%	22.6%	18.9%	28.9%	42.8%

RESULTS OF OPERATIONS: 1999 to 1998

Net Sales. Automotive net sales increased by 19% and mirror shipments increased by 22%, from 4,902,000 to 5,960,000 units, primarily reflecting increased penetration on domestic and foreign 1999 and 2000 model year vehicles for interior and exterior electrochromic Night Vision Safety (NVS®) Mirrors. North American unit shipments increased by 22%, aided by record automotive industry production levels, while overseas unit shipments increased by 20% during 1999. Net sales of the Company's fire protection products increased 4%, primarily due to increased sales of its AC/DC smoke detectors and low current draw strobe.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold decreased from 59% to 57%, primarily reflecting

product cost reductions in connection with the Company's new in-house glass coating equipment installed in mid-1998, improved exterior mirror element glass yields and increased sales volume spread over fixed overhead expenses, partially offset by automotive customer price reductions.

Operating Expenses. Research and development expenses increased approximately \$2,772,000, but remained at 5% of net sales, primarily due to additional staffing for new product development and increased engineering charges for outside services. Selling, general and administrative expenses increased approximately \$1,992,000, but remained at 5% of net sales, primarily reflecting additional staffing in Europe and Japan to support the Company's current and anticipated future overseas sales growth.

Other Income - Net. Investment income increased \$2,569,000 in 1999, primarily due to higher investable fund balances and higher interest rates. Other income increased \$804,000 in 1999, primarily due to realized equity securities gains.

Taxes. The provision for income taxes was less than the statutory rate in 1999, primarily due to higher Foreign Sales Corporation exempted taxable income from increased foreign sales and tax-exempt interest income.

Net Income. Net income increased by 29%, primarily reflecting the increased sales level and improved gross profit in 1999.

RESULTS OF OPERATIONS: 1998 to 1997

Net Sales. Automotive net sales increased by 22% and mirror shipments increased by 26%, from 3,878,000 to 4,902,000 units, primarily reflecting new thin glass flat, convex and aspheric exterior mirrors, as well as increased penetration on domestic and foreign 1998 and 1999 model year vehicles for interior and exterior electrochromic Night Vision Safety™ (NVS®) Mirrors. North American unit shipments increased by 30%, despite the impact of the General Motors' strikes, while overseas unit shipments increased by 18% during 1998. Net sales of the Company's fire protection products were basically flat, as increased sales of its AC/DC smoke detectors offset a decrease in sales of certain strobe related products.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold decreased from 64% to 59%, primarily reflecting improved glass yields and product cost reductions in connection with the production ramp-up of the new exterior mirror products and the Company's new in-house glass coating equipment, and increased sales volume spread over fixed overhead expenses, partially offset by automotive customer price reductions.

Operating Expenses. Research and development expenses increased approximately \$1,904,000, but remained at 5% of net sales, primarily due to additional staffing for new product development. Selling, general and administrative expenses increased approximately \$1,240,000, but decreased from 6% to 5% of net sales, primarily reflecting the establishment of an European warehouse operation, the opening of a sales office in Japan and a \$200,000 patent settlement payment.

Other Income - Net. Investment income increased \$1,485,000 in 1998, primarily due to higher investable fund balances. Other income increased \$1,128,000 in 1998, primarily due to realized gains on the sale of equity investments.

Taxes. The provision for income taxes was less than the statutory rate in 1998, primarily due to higher Foreign Sales Corporation exempted taxable income from increased foreign sales, as well as tax-exempt interest income.

Net Income. Net income increased by 43%, primarily reflecting the increased sales level and improved gross profit in 1998.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial condition throughout the periods presented has remained very strong.

The Company's current ratio increased from 7.8 in 1998 to 8.4 in 1999, primarily as a result of the increase in cash and cash equivalents generated from operations.

Management considers the Company's working capital of approximately \$121,745,000 and long-term investments of approximately \$125,817,000 at December 31, 1999, 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.

MARKET RISK DISCLOSURE

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.

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 foreign markets that could reduce demand for its products.

The Company manages interest rate risk and default risk in its fixed-income investment portfolio by investing in shorter-term maturities and investment grade issues. The Company's fixed-income investments' maturities at carrying value, which closely approximates fair value, and average interest rates are as follows:

	2000	2001	2002	2003	2004	Total Balance as of December 31,	
						1999	1998
U.S. Treasuries							
Amount (000,000)	\$ 8.0	\$10.1	\$27.3	\$21.2	—	\$66.6	\$25.3
Average Interest Rate	6%	6%	6%	6%		6%	6%
Municipal							
Amount (000,000)	\$13.5	\$12.5	\$ 4.7	\$ 1.5	—	\$32.2	\$41.2
Average Interest Rate*	4%	4%	4%	4%		4%	4%
Other							
Amount (000,000)	\$ 4.0	\$ 3.3	—	—	\$1.2	\$ 8.5	\$ 5.1
Average Interest Rate	5%	6%			6%	6%	6%

*After-tax.

Most of the Company's equity investments are managed by a number of outside equity fund managers who primarily invest in large capitalization companies in the U.S. stock markets

YEAR 2000 DISCLOSURE

The Company has not experienced any significant problems with its computer systems' compliance with the year 2000, nor have any customer shipments been adversely impacted. In addition, the Company does not consider there to be any significant continuing exposure related to year 2000 issues.

INFLATION, CHANGING PRICES AND OTHER

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 and yield improvements, engineering and purchasing cost reductions, and increases in sales volume. In addition, the Company continues to experience some pressure for raw material cost increases.

The Company currently supplies NVS® Mirrors to DaimlerChrysler AG (North America) and General Motors Corporation under long-term agreements. The long-term supply agreement with DaimlerChrysler AG runs through the 2003 Model Year, and the GM contract runs through the 2002 Model Year for inside mirrors.

Consolidated Balance Sheets as of December 31, 1999 and 1998

ASSETS	1999	1998
Current Assets:		
Cash and cash equivalents	\$ 69,227,972	\$ 50,027,747
Short-term investments	25,505,657	24,034,876
Accounts receivable, less allowances of \$325,000 and \$275,000 in 1999 and 1998	30,633,501	30,256,795
Inventories	9,975,178	8,726,420
Prepaid expenses and other	2,873,276	2,311,581
Total current assets	138,215,584	115,357,419
Plant and Equipment:		
Land, building and improvements	26,844,317	24,004,557
Machinery and equipment	68,703,998	58,255,550
Construction-in-process	12,676,977	4,974,025
	108,225,292	87,234,132
Less-Accumulated depreciation and amortization	(36,887,239)	(27,874,247)
	71,338,053	59,359,885
Other Assets:		
Long-term investments	125,816,629	78,744,138
Patents and other assets, net	2,302,504	1,428,116
	128,119,133	80,172,254
	\$337,672,770	\$254,889,558
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
Current Liabilities:		
Accounts payable	\$ 8,288,327	\$ 7,602,933
Accrued liabilities:		
Salaries, wages and vacation	1,758,941	1,349,182
Income taxes	1,215,735	3,339,052
Royalties	2,582,522	—
Other	2,624,686	2,555,723
Total current liabilities	16,470,211	14,846,890
Deferred Income Taxes	4,151,143	3,034,450
Shareholders' Investment:		
Preferred stock, no par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, par value \$.06 per share; 100,000,000 shares authorized	4,404,739	4,335,535
Additional paid-in capital	79,670,301	64,876,098
Retained earnings	232,669,586	167,805,830
Deferred compensation	(2,070,639)	(2,054,110)
Unrealized gain on investments	2,366,637	2,007,568
Cumulative translation adjustment	10,792	37,297
Total shareholders' investment	317,051,416	237,008,218
	\$337,672,770	\$254,889,558

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

Consolidated Statements of Income for the Years Ended December 31, 1999, 1998 and 1997

	1999	1998	1997
Net Sales	\$262,155,498	\$222,292,053	\$186,327,877
Cost of Goods Sold	148,820,129	131,900,585	118,941,030
Gross profit	113,335,369	90,391,468	67,386,847
Operating Expenses:			
Research and development	13,755,318	10,983,514	9,079,472
Selling, general and administrative	14,057,560	12,065,141	10,825,389
Total operating expenses	27,812,878	23,048,655	19,904,861
Operating income	85,522,491	67,342,813	47,481,986
Other Income:			
Interest and dividend income	8,459,607	5,890,612	4,405,565
Other, net	2,233,658	1,429,705	301,673
Total other income	10,693,265	7,320,317	4,707,238
Income before provision for income taxes	96,215,756	74,663,130	52,189,224
Provision for Income Taxes	31,352,000	24,356,000	16,959,000
Net Income	\$ 64,863,756	\$ 50,307,130	\$ 35,230,224
Earnings per Share:			
Basic	\$ 0.89	\$ 0.70	\$ 0.51
Diluted	\$ 0.86	\$ 0.68	\$ 0.49

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

Consolidated Statements of Shareholders' Investment for the Years Ended December 31, 1999, 1998 and 1997

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital
BALANCE AS OF DECEMBER 31, 1996	34,749,282	\$2,084,957	\$44,963,895
Issuance of common stock and the tax benefit of stock plan transactions	649,865	38,992	8,690,768
Amortization of deferred compensation	—	—	—
Comprehensive Income: Net income	—	—	—
Other comprehensive income:			
Foreign currency translation adjustment	—	—	—
Unrealized gain on investments	—	—	—
Other comprehensive income	—	—	—
Comprehensive income	—	—	—
BALANCE AS OF DECEMBER 31, 1997	35,399,147	2,123,949	53,654,663
Issuance of common stock and the tax benefit of stock plan transactions	1,023,593	61,416	13,371,605
Amortization of deferred compensation	—	—	—
Stock split	35,836,177	2,150,170	(2,150,170)
Comprehensive Income: Net income	—	—	—
Other comprehensive income:			
Foreign currency translation adjustment	—	—	—
Unrealized gain on investments	—	—	—
Other comprehensive income	—	—	—
Comprehensive income	—	—	—
BALANCE AS OF DECEMBER 31, 1998	72,258,917	4,335,535	64,876,098
Issuance of common stock and the tax benefit of stock plan transactions	1,153,399	69,204	14,794,203
Amortization of deferred compensation	—	—	—
Comprehensive Income: Net income	—	—	—
Other comprehensive income:			
Foreign currency translation adjustment	—	—	—
Unrealized gain on investments	—	—	—
Other comprehensive income	—	—	—
Comprehensive income	—	—	—
BALANCE AS OF DECEMBER 31, 1999	73,412,316	\$4,404,739	\$79,670,301

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

Comprehensive Income	Retained Earnings	Deferred Compensation	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Investment
—	\$ 82,268,476	(\$1,804,104)	\$ 290,417	\$127,803,641
—	—	(421,579)	—	8,308,181
—	—	590,060	—	590,060
35,230,224	35,230,224	—	—	35,230,224
(20,410)	—	—	—	—
1,293,481	—	—	—	—
1,273,071	—	—	1,273,071	1,273,071
<u>\$36,503,295</u>	—	—	—	—
	117,498,700	(1,635,623)	1,563,488	173,205,177
—	—	(990,218)	—	12,442,803
—	—	571,731	—	571,731
—	—	—	—	—
50,307,130	50,307,130	—	—	50,307,130
58,177	—	—	—	—
423,200	—	—	—	—
481,377	—	—	481,377	481,377
<u>\$50,788,507</u>	—	—	—	—
	167,805,830	(2,054,110)	2,044,865	237,008,218
—	—	(759,504)	—	14,103,903
—	—	742,975	—	742,975
64,863,756	64,863,756	—	—	64,863,756
(26,505)	—	—	—	—
359,069	—	—	—	—
332,564	—	—	332,564	332,564
<u>\$65,196,320</u>	—	—	—	—
	\$232,669,586	(\$2,070,639)	\$2,377,429	\$317,051,416

Consolidated Statements of Cash Flows for the Years Ended December 31, 1999, 1998 and 1997

	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$64,863,756	\$50,307,130	\$35,230,224
Adjustments to reconcile net income to net cash provided by operating activities-			
Depreciation and amortization	9,656,700	7,522,521	6,418,312
(Gain) loss on disposal of equipment	(112,252)	111,218	82,862
Gain on sale of investments	(1,512,109)	(937,360)	(8,102)
Deferred income taxes	719,999	456,474	(289,734)
Amortization of deferred compensation	742,975	571,731	590,060
Change in assets and liabilities:			
Accounts receivable, net	(376,706)	(5,741,270)	(7,500,351)
Inventories	(1,248,758)	61,269	(2,607,267)
Prepaid expenses and other	(358,346)	(463,089)	(152,724)
Accounts payable	685,394	(1,157,323)	2,965,424
Accrued liabilities	937,927	1,412,989	264,883
Net cash provided by operating activities	73,998,580	52,144,290	34,993,587
CASH FLOWS FROM INVESTING ACTIVITIES:			
Activity in Held-To-Maturity Securities			
Maturities and Calls	22,755,000	12,366,000	24,765,464
Purchases	(8,753,236)	(8,333,178)	(28,324,553)
Activity in Available-For-Sale Securities			
Sales Proceeds	9,431,697	5,028,187	12,475,160
Purchases	(69,912,210)	(25,597,708)	(25,822,809)
Plant and equipment additions	(21,968,447)	(24,596,224)	(16,383,089)
Proceeds from sale of plant and equipment	516,184	52,615	316,270
Increase in other assets	(971,246)	(247,685)	(289,920)
Net cash used for investing activities	(68,902,258)	(41,327,993)	(33,263,477)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of common stock and tax benefit of stock plan transactions	14,103,903	12,442,803	8,308,181
Net cash provided by financing activities	14,103,903	12,442,803	8,308,181
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,200,225	23,259,100	10,038,291
CASH AND CASH EQUIVALENTS, beginning of year	50,027,747	26,768,647	16,730,356
CASH AND CASH EQUIVALENTS, end of year	\$69,227,972	\$50,027,747	\$26,768,647

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

Notes to Consolidated Financial Statements

(1) SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The Company. Gentex Corporation designs, develops, manufactures and markets proprietary electro-optical products: automatic rearview mirrors for the automotive industry and fire protection products for the commercial building industry. A substantial portion of the Company's net sales and accounts receivable result from transactions with domestic and foreign automotive manufacturers and tier one suppliers. The Company's fire protection products are primarily sold to domestic distributors and original equipment manufacturers of fire and security systems.

Significant accounting policies of the Company not described elsewhere are as follows:

Consolidation. The consolidated financial statements include the accounts of Gentex Corporation and all of its wholly-owned subsidiaries (together the "Company"). All significant intercompany accounts and transactions have been eliminated.

Cash Equivalents. Cash equivalents consist of funds invested in money market accounts.

Investments. The amortized cost, unrealized gains and losses, and market value of securities held to maturity and available for sale are shown as of December 31, 1999 and 1998:

1999	Cost	Gains	Losses	Market Value
U.S. Treasuries	\$ 66,970,652	\$ 66,356	\$ (483,687)	\$ 66,553,321
Municipal	32,175,393	73,203	(140,288)	32,108,308
Other Fixed	8,540,658	—	(80,997)	8,459,661
Equity	39,994,603	4,841,445	(783,134)	44,052,914
	<u>\$147,681,306</u>	<u>\$4,981,004</u>	<u>\$(1,488,106)</u>	<u>\$151,174,204</u>
1998				
U.S. Treasuries	\$ 24,729,622	\$ 613,450	\$ —	\$ 25,343,072
Municipal	41,168,482	510,201	(989)	41,677,694
Other Fixed	5,149,333	2,614	—	5,151,947
Equity	28,643,012	3,611,957	(1,136,842)	31,118,127
	<u>\$ 99,690,449</u>	<u>\$4,738,222</u>	<u>\$(1,137,831)</u>	<u>\$103,290,840</u>

Fixed income securities, excluding U.S. Treasuries, are considered held to maturity and, accordingly, are carried at amortized cost. Equity securities and U.S. Treasuries are available for sale, which are recorded at market value. Held to maturity securities as of December 31, 1999,

have contractual maturities as follows:

Due within one year:	\$ 17,497,218
Due between one and five years:	\$ 22,930,472
Due over five years:	\$ 288,361

The Company does not currently utilize derivative instruments.

Inventories. Inventories include material, direct labor and manufacturing overhead and are valued at the lower of first-in, first-out (FIFO) cost or market.

Inventories consisted of the following as of December 31, 1999 and 1998:

	1999	1998
Raw materials	\$4,910,081	\$4,301,060
Work-in-process	1,194,632	926,466
Finished goods	3,870,465	3,498,894
	<u>\$9,975,178</u>	<u>\$8,726,420</u>

(1) SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES, continued

Plant and Equipment. Plant and equipment are stated at cost. Depreciation and amortization are computed for financial reporting purposes using the straight-line method, with estimated useful lives of 7 to 40 years for building and improvements, and 3 to 10 years for machinery and equipment.

The Company is constructing a new facility scheduled to be completed in 2000. The estimated remaining cost to be incurred in 2000 for the facility is approximately \$5 million.

Patents. The Company's policy is to capitalize costs incurred to obtain and defend patents. The cost of patents is amortized over their useful lives. The cost of patents in process is not amortized until issuance. Accumulated amortization was approximately \$4,961,000 and \$4,890,000 at December 31, 1999 and 1998, respectively. Patent amortization expense was approximately \$71,000, \$211,000, and \$1,099,000 in 1999, 1998 and 1997, respectively.

Revenue Recognition. The Company's revenue primarily is generated from sales of its products. Sales are recognized when the product is shipped and legal title has passed to the customer.

Advertising and Promotional Materials. All advertising and promotional costs are expensed as incurred and amounted to approximately \$808,000, \$640,000, and \$671,000 in 1999, 1998 and 1997, respectively.

Repairs and Maintenance. Major renewals and improvements of property and equipment are capitalized, and repairs and maintenance are expensed as incurred. The Company incurred expenses relating to the repair and maintenance of plant and equipment of approximately \$2,535,000, \$2,165,000, and \$2,028,000 in 1999, 1998 and 1997, respectively.

Self-Insurance. The Company is self-insured for a portion of its risk on workers' compensation and employee medical costs. The arrangements provide for stop loss insurance to manage the Company's risk. Operations are charged with the cost of claims reported and an estimate of claims incurred but not reported.

Earnings Per Share. The following table reconciles the numerators and denominators used in the calculations of basic and diluted earnings per share for each of the last three years:

	1999	1998	1997
Numerators:			
Numerator for both basic and diluted EPS, net income	\$64,863,756	\$50,307,130	\$35,230,224
Denominators:			
Denominator for basic EPS, weighted-average common shares outstanding	72,999,601	71,611,401	69,629,824
Potentially dilutive shares resulting from stock option plans	1,996,713	2,005,319	2,331,708
Denominator for diluted EPS	74,996,314	73,616,720	71,961,532

(1) SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES, continued

Other Comprehensive Income. Effective January 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130: "Reporting Comprehensive Income." This statement establishes standards for reporting and display of comprehensive income and its components. 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 Gentex, comprehensive income represents net income adjusted for items such as unrealized gains and losses on certain investments and foreign currency translation adjustments. The changes in the components of other comprehensive income (loss) are as follows:

Years Ended December 31,	1999		1998		1997	
	Pre-Tax Amount	Tax Exp. (Credit)	Pre-Tax Amount	Tax Exp.	Pre-Tax Amount	Tax Exp. (Credit)
Unrealized Gain on Securities	\$552,415	\$193,346	\$651,075	\$227,875	\$1,989,971	\$696,490
Foreign Currency Translation Adjustments	(40,777)	(14,272)	89,503	31,326	(31,400)	(10,990)
Other Comprehensive Income	\$511,638	\$179,074	\$740,578	\$259,201	\$1,958,571	\$685,500

Foreign Currency Translation. The financial position and results of operations of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities are translated at the exchange rate in effect at year-end. Income statement accounts are translated at the average rate of exchange in effect during the year. The resulting translation adjustment is recorded as a separate component of shareholders' investment.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) LINE OF CREDIT

The Company has available an unsecured \$5,000,000 line of credit from a bank at the lower of the bank's prime rate or 1.5% above the LIBOR rate. No borrowings were outstanding under this line in 1999 or 1998. No compensating balances are required under this line.

(3) INCOME TAXES

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

The components of the provision for income taxes are as follows:

	1999	1998	1997
Currently payable:			
Federal	\$30,173,000	\$23,900,000	\$17,249,000
State	459,000	—	—
Total	30,632,000	23,900,000	17,249,000
Net deferred:			
Federal	720,000	456,000	(290,000)
Provision for income taxes	\$31,352,000	\$24,356,000	\$16,959,000

The currently payable provision is further reduced by the tax benefits associated with the exercise, vesting or disposition of stock under the stock plans described in Note 6. These reductions totaled approximately \$6,415,000, \$4,227,000, and \$3,571,000 in 1999, 1998 and 1997, respectively.

The effective income tax rates are different from the statutory federal income tax rates for the following reasons:

	1999	1998	1997
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	0.2	—	—
Foreign Sales Corporation exempted income	(1.5)	(1.3)	(1.4)
Tax-exempt investment income	(0.6)	(0.8)	(1.2)
Other	(0.5)	(0.3)	0.1
Effective income tax rate	32.6%	32.6%	32.5%

The tax effect of temporary differences which give rise to deferred tax assets and liabilities at December 31, 1999 and 1998, are as follows:

	1999		1998	
	Current	Non-Current	Current	Non-Current
Assets:				
Accruals not currently deductible	\$ 762,951	\$ 249,603	\$ 724,379	\$ 112,700
Deferred compensation	—	587,122	—	490,400
Other	1,002,721	23,355	736,645	29,174
Total deferred tax assets	1,765,672	860,080	1,461,024	632,274

(3) INCOME TAXES, continued

	1999		1998	
	Current	Non-Current	Current	Non-Current
Liabilities:				
Excess tax over book depreciation	—	(3,395,195)	—	(2,379,382)
Patent costs	—	(341,685)	—	(206,343)
Other	(215,049)	(1,274,343)	(113,750)	(1,080,999)
Net deferred taxes	\$1,550,623	\$(4,151,143)	\$1,347,274	\$(3,034,450)

Income taxes paid in cash were approximately \$26,530,000, \$18,815,000, and \$14,012,000 in 1999, 1998 and 1997, respectively.

(4) EMPLOYEE BENEFIT PLAN

The Company has a 401(k) retirement savings plan in which substantially all of its employees may participate. The plan includes a provision for the Company to match a percentage of the employee's contributions at a rate determined by the Company's Board of Directors. In 1999, 1998 and 1997, the Company's contributions were approximately \$526,000, \$378,000, and \$293,000, respectively.

The Company does not provide health care benefits to retired employees.

(5) SHAREHOLDER PROTECTION RIGHTS PLAN

In August 1991, the Company's Board of Directors adopted a Shareholder Protection Rights Plan (the Plan). The Plan is designed to protect shareholders against unsolicited attempts to acquire control of the Company in a manner that does not offer a fair price to all shareholders.

Under the Plan, one purchase Right automatically trades with each share of the Company's common stock. Each Right entitles a shareholder to purchase 1/100 of a share of junior participating preferred stock at a price of \$40, if any person or group attempts certain hostile takeover tactics toward the Company. Under certain hostile takeover circumstances, each Right may entitle the holder to purchase the Company's common stock at one-half its market value or to purchase the securities of any acquiring entity at one-half their market value. Rights are subject to redemption by the Company at \$.00125 per Right and, unless earlier redeemed, will expire on August 26, 2001. Rights beneficially owned by holders of 15 percent or more of the Company's common stock, or their transferees, automatically become void.

(6) STOCK-BASED COMPENSATION PLANS

The Company has three stock option plans, including two employee stock option plans ("Employee Plans") and a non-employee directors stock option plan ("Director Plan"), and an employee stock purchase plan. The Company accounts for these plans under APB Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for these plans been determined consistent with FASB Statement No. 123, the Company's net income and earnings per share would have been reduced to the following pro-forma amounts:

(6) STOCK-BASED COMPENSATION PLANS, continued

		1999	1998	1997
Net Income:	As Reported	\$64,863,756	\$50,307,130	\$35,230,224
	Pro Forma	60,394,893	46,098,379	32,986,461
EPS (diluted):	As Reported	\$ 0.86	\$ 0.68	\$ 0.49
	Pro Forma	0.81	0.63	0.46

Because the Statement 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The Company may sell up to 1,600,000 shares of stock to its employees under the Employee Stock Purchase Plan. The Company has sold to employees 50,550 shares, 61,748 shares, and 70,204 shares in 1999, 1998 and 1997, respectively, and has sold a total of 424,692 shares through December 31, 1999. The Company sells shares at 85% of the stock's market price at date of purchase. The weighted average fair value of shares sold in 1999 was approximately \$21.

The Company may grant options for up to 9,000,000 shares under the Employee Plans. The Company has granted options on 4,583,530 shares through December 31, 1999. Under the Plans, the option exercise price equals the stock's market price on date of grant. The options vest after one to five years, and expire after five to seven years.

A summary of the status of the Company's two employee stock option plans at December 31, 1999, 1998 and 1997, and changes during the years then ended is presented in the table and narrative below:

	1999		1998		1997	
	Shares (000)	Wtd. Avg. Ex price	Shares (000)	Wtd. Avg. Ex price	Shares (000)	Wtd. Avg. Ex price
Outstanding at Beginning of Year	4,145	\$10	4,706	\$ 7	5,058	\$ 6
Granted	774	25	761	17	982	12
Exercised	(1,055)	6	(1,267)	6	(1,186)	3
Forfeited	(57)	13	(55)	10	(148)	9
Expired	—	—	—	—	—	—
Outstanding at End of Year	3,807	13	4,145	10	4,706	7
Exercisable at End of Year	1,660	9	1,782	7	2,063	6
Weighted Avg. Fair Value of Options Granted		\$12		\$ 8		\$ 6

Options Outstanding and Exercisable by Price Range As of December 31, 1999

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares Outstanding (000)	Remaining Contractual Life	Weighted-Avg. Exercise Price	Shares Exercisable (000)	Weighted-Avg. Exercise Price
\$ 1 - \$10	1,348	2	\$ 7	1,023	\$ 6
\$11 - \$20	1,555	3	13	607	12
\$21 - \$33	904	5	24	30	20
Total	<u>3,807</u>	3	13	<u>1,660</u>	9

(6) STOCK-BASED COMPENSATION PLANS, continued

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 1999, 1998 and 1997, respectively: risk-free interest rates of 5.9, 5.1 and 6.2 percent; expected dividend yields of 0.0, 0.0 and 0.0 percent; expected lives of 5 years, 6 years and 6 years; expected volatility of 52, 43 and 46 percent.

The Company may grant options for up to 2,000,000 shares under the Director Plan. The Company has granted options on 1,076,000 shares through December 31, 1999. Under the plan the option exercise price equals the stock's market price on date of grant. The Director Plan options vest after six months, and all expire after ten years.

A summary of the status of the Director Plan at December 31, 1999, 1998 and 1997, and changes during the years then ended is presented in the table and narrative below:

	1999		1998		1997	
	Shares (000)	Wtd. Avg. Ex. price	Shares (000)	Wtd. Avg. Ex. price	Shares (000)	Wtd. Avg. Ex. price
Outstanding at Beginning of Year	512	\$ 6	548	\$ 5	568	\$ 4
Granted	20	29	40	17	40	10
Exercised	(16)	1	(76)	2	(60)	7
Expired	(16)	1	—	—	—	—
Outstanding at End of Year	500	7	512	6	548	5
Exercisable at End of Year	500	7	512	6	548	5
Weighted Avg. Fair Value of Options Granted		\$19		\$11		\$ 6

Options Outstanding and Exercisable by Price Range As Of December 31, 1999

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares Outstanding (000)	Remaining Contractual Life	Weighted-Avg. Exercise Price	Shares Exercisable (000)	Weighted-Avg. Exercise Price
\$ 1 - \$10	440	4	\$ 5	440	\$ 5
\$11 - \$29	60	9	21	60	21
	<u>500</u>	4	7	<u>500</u>	7

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 1999, 1998 and 1997, respectively: risk-free interest rates of 5.6, 5.7 and 6.7 percent; expected dividend yields of 0.0, 0.0 and 0.0 percent; expected lives of 9, 5 and 5 years; expected volatility of 52, 43 and 46 percent.

(6) STOCK-BASED COMPENSATION PLANS, continued

The Company has a restricted stock plan covering 1,600,000 shares of common stock, the purpose of which is to permit grants of shares, subject to restrictions, to key employees of the Company as a means of retaining and rewarding them for long-term performance and to increase their ownership in the Company. Shares awarded under the plan entitle the shareholder to all rights of common stock ownership except that the shares may not be sold, transferred, pledged, exchanged or otherwise disposed of during the restriction period. The restriction period is determined by a committee, appointed by the Board of Directors, but may not exceed ten years. During 1999, 1998 and 1997, 31,600, 64,200 and 75,000 shares, respectively, were granted with restriction periods of four to six years at market prices ranging from \$20.72 to \$33.063 in 1999, \$14.032 to \$19.813 in 1998, and \$10.063 to \$12.938 in 1997. The related expense is reflected as a deferred compensation component of shareholders' investment in the accompanying consolidated financial statements and is being amortized over the applicable restriction periods.

(7) STOCK SPLITS

On May 21, 1998, the Company's Board of Directors declared a two-for-one stock split effected in the form of a 100% common stock dividend to shareholders of record on June 5, 1998. The stock split increased the number of shares of common stock then outstanding from 35,836,177 to 71,672,354.

Earnings per share and all share data have been restated in all prior periods to reflect this stock split.

(8) CONTINGENCIES

From time to time, the Company is subject to legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the Company.

(9) SEGMENT REPORTING

In fiscal year 1998, the Company adopted Statement of Financial Accounting Standards No. 131: "Disclosures About Segments of an Enterprise and Related Information" (SFAS No. 131). This statement requires that a public enterprise report financial and descriptive information about its reportable operating segments subject to certain aggregation criteria and quantitative thresholds. Operating segments are defined by SFAS No. 131 as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-makers in deciding how to allocate resources and in assessing performance.

(9) SEGMENT REPORTING, continued

	1999	1998	1997
Revenue:			
Automotive Products			
U.S.	\$151,222,877	\$127,588,319	\$ 98,229,265
Germany	47,870,761	46,009,639	39,468,221
Other	41,979,787	28,518,734	28,435,911
Fire Protection Products	21,082,073	20,175,361	20,194,480
Total	<u>\$262,155,498</u>	<u>\$222,292,053</u>	<u>\$186,327,877</u>
Operating Income:			
Automotive Products	\$ 81,757,998	\$ 63,718,817	\$ 43,390,801
Fire Protection Products	3,764,493	3,623,996	4,091,185
Total	<u>\$ 85,522,491</u>	<u>\$ 67,342,813</u>	<u>\$ 47,481,986</u>
Assets:			
Automotive Products	\$101,257,610	\$ 89,252,971	\$ 69,887,416
Fire Protection Products	4,353,082	3,864,138	4,670,554
Other	232,062,078	161,772,449	115,224,877
Total	<u>\$337,672,770</u>	<u>\$254,889,558</u>	<u>\$189,782,847</u>
Depreciation & Amortization:			
Automotive Products	\$ 8,645,455	\$ 6,658,551	\$ 5,811,705
Fire Protection Products	323,477	314,522	296,601
Other	687,768	549,448	310,006
Total	<u>\$ 9,656,700</u>	<u>\$ 7,522,521</u>	<u>\$ 6,418,312</u>
Capital Expenditures:			
Automotive Products	\$ 19,279,715	\$ 19,595,844	\$ 15,419,468
Fire Protection Products	322,962	209,867	443,354
Other	2,365,770	4,790,513	520,267
Total	<u>\$ 21,968,447</u>	<u>\$ 24,596,224</u>	<u>\$ 16,383,089</u>

Other assets are principally cash, investments, deferred income taxes, and corporate fixed assets.

Automotive Products revenues in the "Other" category are sales to U.S. automotive manufacturing plants in Canada, Mexico and other foreign automotive customers. All non-U.S. sales are invoiced and paid in U.S. dollars.

During the years presented, the Company had three automotive customers which individually accounted for 10% or more of net sales as follows:

Customer	#1	#2	#3	
1999	44%	22%	11%	
1998	43%	25%	11%	
1997	43%	25%	*	*Less than 10%

Information Regarding Common Stock

The Company's common stock trades on The Nasdaq Stock Market®. As of March 1, 2000, there were 3,493 record holders of the Company's common stock. Ranges of high and low sale prices of the Company's common stock (adjusted for the 2-for-1 stock split in June 1998) reported through The Nasdaq Stock Market for the past two fiscal years appear in the following table.

YEAR	QUARTER	HIGH	LOW
1998	First	17 $\frac{1}{6}$	12 $\frac{29}{32}$
	Second	19 $\frac{1}{2}$	15 $\frac{1}{2}$
	Third	18 $\frac{3}{4}$	10 $\frac{3}{4}$
	Fourth	22	11 $\frac{1}{2}$
1999	First	25 $\frac{3}{4}$	19 $\frac{3}{4}$
	Second	34 $\frac{3}{4}$	20 $\frac{1}{2}$
	Third	32 $\frac{1}{4}$	18
	Fourth	29 $\frac{1}{6}$	16

The Company has never paid any cash dividends on its common stock, and management does not anticipate paying any cash dividends in the foreseeable future.

Quarterly Results of Operations (in thousands except per share data)

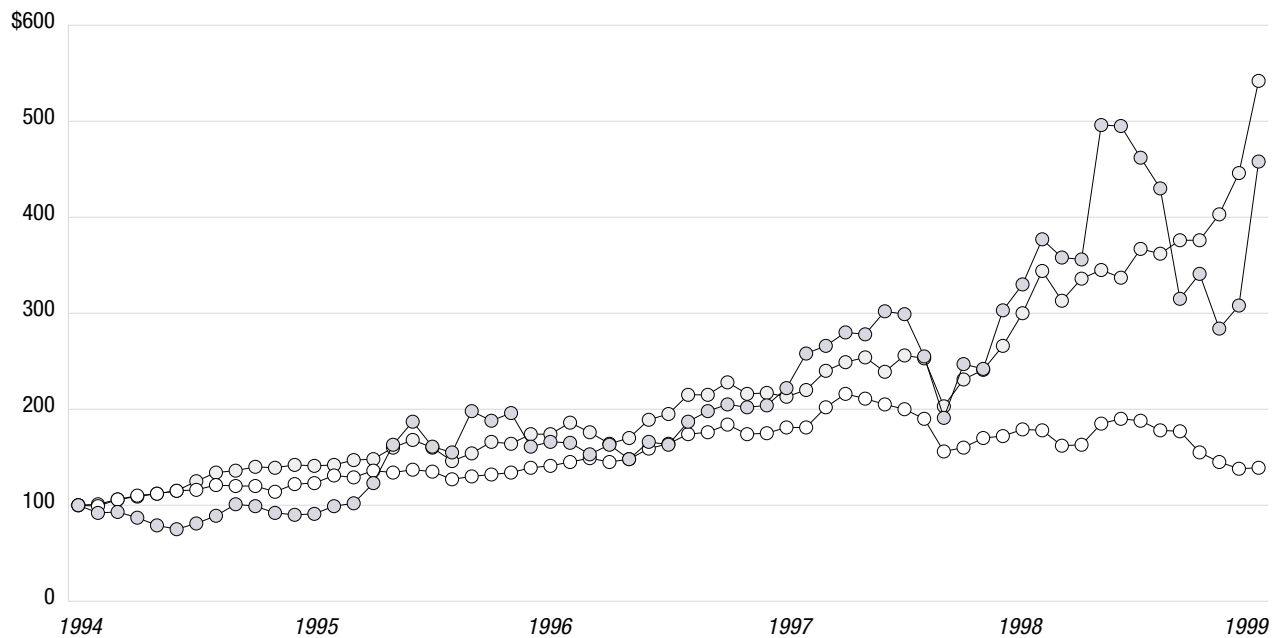
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	1999	1998	1999	1998	1999	1998	1999	1998
Net Sales	\$65,618	\$56,979	\$66,889	\$51,372	\$64,146	\$49,596	\$65,502	\$64,345
Gross Profit	28,993	22,639	29,337	19,803	25,794	19,184	29,211	28,766
Operating Income	22,288	17,024	22,159	14,036	18,744	13,277	22,332	23,005
Net Income	16,710	12,501	16,537	10,765	14,444	9,901	17,174	17,140
Earnings Per Share*	\$.22	\$.17	\$.22	\$.15	\$.19	\$.13	\$.23	\$.23

*Diluted; adjusted for 2-for-1 stock split in June 1998.

Stock Performance

The following graph depicts the cumulative total return of the Company's common stock compared to the cumulative total return on The Nasdaq Stock Market® Index (all U.S. companies) and the Dow Jones Index for Automobile Parts and Equipment Companies (excluding tire and rubber makers). The graph assumes an investment of \$100 on the last trading day in 1994, and reinvestment of dividends in all cases.

- Gentex Corporation
- The Nasdaq Stock Market® (U.S. Companies)
- Dow Jones Auto Parts & Equipment Companies (Excluding Tire and Rubber Makers)

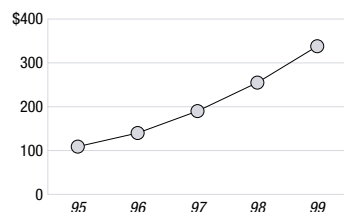


15-Year Summary of Financial Data

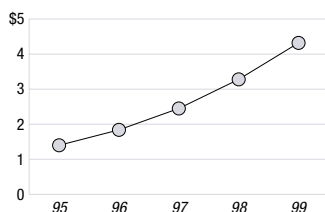
Summary of Operations for the Year	1999	1998	1997	1996	1995	1994
Net Sales	\$262,155	\$222,292	\$186,328	\$148,708	\$111,566	\$89,762
Cost of goods sold	148,820	131,901	118,941	93,583	67,767	51,319
Gross profit	113,335	90,391	67,387	55,125	43,799	38,443
Gross profit margin	43.2%	40.7%	36.2%	37.1%	39.3%	42.8%
Research and development expenses	13,755	10,984	9,079	7,538	5,958	4,904
Selling, general & administrative expenses	14,058	12,065	10,825	15,748 ¹	12,879	10,567
Operating income	85,522	67,343	47,482	31,840	24,962	22,972
Percent of net sales	32.6%	30.3%	25.5%	21.4%	22.4%	25.6%
Interest expense	—	—	—	—	—	—
Interest and other income	10,693	7,320	4,707	3,642	2,969	1,698
Income before taxes	96,216	74,663	52,189	35,482	27,931	24,670
Percent of net sales	36.7%	33.6%	28.0%	23.9%	25.0%	27.5%
Income taxes	31,352	24,356	16,959	11,519	9,036	8,204
Tax rate	32.6%	32.6%	32.5%	32.5%	32.4%	33.3%
Net income	64,864	50,307	35,230	23,963 ⁵	18,895	16,466
Percent of net sales	24.7%	22.6%	18.9%	16.1%	16.9%	18.3%
Return on average equity	23.4%	24.5%	23.4%	21.5% ⁵	22.7%	27.2%
Earnings per share – diluted	\$ 0.86	\$ 0.68	\$ 0.49	\$ 0.34 ⁵	\$ 0.28	\$ 0.24
Price/earnings ratio range	41-19	32-16	28-17	40-16	25-14	36-19
Weighted avg. common shares outstanding – diluted	74,996	73,617	71,962	71,025	68,511	67,975
Capital expenditures	21,968	24,596	16,383	16,424	4,862	6,160
Financial Position at Year-End						
Cash and short-term investments	\$ 94,734	\$ 74,063	\$ 41,131	\$ 48,534	\$ 34,277	\$19,331
Long-term investments	125,817	78,744	70,291	33,945	32,146	26,282
Total current assets	138,216	115,357	75,919	72,696	68,611	36,685
Total current liabilities	16,470	14,847	14,591	11,361	14,050	8,986
Working capital	121,745	100,510	61,328	61,335	42,011	27,699
Plant and equipment – net	71,338	59,360	42,239	31,575	18,942	17,173
Total assets	337,673	254,890	189,783	140,378	109,244	80,739
Long-term debt, including current maturities	—	—	—	—	—	—
Shareholders' investment	317,051	237,008	173,205	127,804	94,672	71,375
Debt/equity ratio (including current maturities)	—	—	—	—	—	—
Common shares outstanding	73,412	72,259	70,798	69,499	67,583	66,038
Book value per share	\$ 4.32	\$ 3.28	\$ 2.45	\$ 1.84	\$ 1.40	\$ 1.08

In thousands, except Gross profit margin, Percent of net sales on Income and Net Income, Tax rate, Return on average equity, Per share data, Price/earnings ratio and Debt/Equity ratio. All per share data has been adjusted to reflect the two-for-one stock splits effected in the form of 100 percent common stock dividends issued to shareholders in June 1993, June 1996 and June 1998.

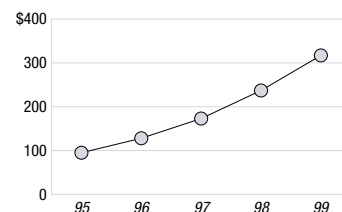
Total Assets (in millions)



Book Value Per Share



Shareholders' Investment (in millions)



1993	1992	1991	1990	1989	1988	1987	1986	1985 ²
\$63,664	\$45,106	\$26,893	\$21,203	\$23,759	\$14,737	\$13,795	\$12,833	\$9,002
38,452	28,949	18,080	14,535	16,115	9,983	8,957	7,989	5,815
25,212	16,157	8,813	6,668	7,644	4,754	4,838	4,844	3,187
39.6%	35.8%	32.8%	31.4%	32.2%	32.3%	35.1%	37.7%	35.4%
4,176	3,840	2,308	1,702	1,375	692	698	833	608
7,182	5,458	4,628	4,450	3,569	3,087	2,303	2,861 ¹	2,057
13,854	6,860	1,876	516	2,700	975	1,837	1,149	522
21.8%	15.2%	7.0%	2.4%	11.4%	6.6%	13.3%	9.0%	5.8%
8	173	511	499	224	—	21	23	26
900	874	1,295	1,165	592	73	117	84	80
14,746	7,561	2,660	1,183	3,069	1,048	1,933	1,210	575
23.2%	16.8%	9.9%	5.6%	12.9%	7.1%	14.0%	9.4%	6.4%
4,901	2,495	794	65	979	366	780	210	5 ³
33.2%	33.0%	29.8%	5.5%	31.9%	34.9%	40.4%	17.4%	0.9%
9,845	5,066	1,654 ⁴	1,118	2,090	682	1,153	1,000	570
15.5%	11.2%	6.1%	5.3%	8.8%	4.6%	8.4%	7.8%	6.3%
23.2%	15.9%	6.1%	4.5%	12.2%	9.1%	17.8%	19.6%	7.7%
\$ 0.15	\$ 0.08	\$ 0.03	\$ 0.02	\$ 0.04	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.01
60-17	41-21	64-23	95-34	47-15	43-29	32-12	31-17	60-29
66,975	64,382	62,133	61,167	54,091	47,324	46,935	46,324	46,249
3,393	4,192	2,218	2,401	4,106	2,824	808	714	448
\$13,307	\$ 7,751	\$14,294	\$10,914	\$14,138	\$ 542	\$ 2,102	\$ 1,022	\$1,339
13,612	6,981	4,330	6,060	1,090	—	—	—	—
27,067	17,812	20,763	15,643	20,117	5,750	6,335	5,083	4,163
5,530	4,044	8,636	1,685	1,854	2,178	1,431	1,024	829
21,537	13,768	12,127	13,958	18,263	3,572	4,904	4,059	3,334
13,699	12,504	10,125	9,350	8,003	4,774	2,500	2,062	1,676
55,191	40,256	37,231	33,877	35,529	10,720	9,012	7,249	5,942
—	—	6,095	6,114	6,131	378	269	303	348
49,547	35,450	28,195	25,940	24,249	7,908	7,088	5,787	4,227
—	—	22	24	25	5	4	5	7
64,847	63,509	62,129	61,112	60,364	47,523	47,087	46,379	46,291
\$ 0.76	\$ 0.56	\$ 0.45	\$ 0.42	\$ 0.40	\$ 0.17	\$ 0.15	\$ 0.12	\$ 0.09

¹ Includes litigation settlements of \$4,000,000 in 1996 and \$446,000 in 1986.

² Operating and financial information for 1985 have been restated to reflect the merger with Vanguard Glass Fabricators, Inc. on August 29, 1986.

³ Includes impact of extraordinary item of \$229,000 in 1985 relating to the tax benefits from utilization of loss carry-forwards.

⁴ Includes a non-recurring, extraordinary, after-tax charge of \$221,000, or one cent per share, due to the costs associated with the mandatory redemption of \$6 million in Industrial Development Revenue Bonds.

⁵ Excluding the patent litigation settlement, net income would have been \$26,643,000; earnings per share would have been \$0.38; and ROE would have been 24.0%.

Corporate Data

CORPORATE HEADQUARTERS

Gentex Corporation
600 N. Centennial Street
Zeeland, Michigan 49464
616-772-1800

ANALYST/INVESTOR CONTACT

Connie Hamblin
Corporate Secretary
Gentex Corporation
600 N. Centennial Street
Zeeland, Michigan 49464
616-772-1800

LEGAL COUNSEL

Varnum Riddering, Schmidt
and Howlett LLP
Bridgewater Place
333 Bridge Street, N.W.
Grand Rapids, Michigan 49503

AUDITORS

Ernst & Young LLP
171 Monroe Avenue, N.W.
Suite 1000
Grand Rapids, Michigan 49503

FORM 10-K

The Company's Annual Report filed with the Securities Exchange Commission on Form 10-K will be provided without charge to any shareholder upon written request. It is also available electronically through the Company's Web site at <http://www.gentex.com>

GENTEX COMMON STOCK

The Company's common stock trades on the The Nasdaq Stock Market® under the symbol GNTX. The common stock has traded over the counter since December 1981. As of March 1, 2000, the Company's 73,513,873 shares of common stock were owned by 3,493 record holders.

The Company does not have a direct stock purchase plan. Shares of the Company's common stock must be purchased through a stock broker or other registered securities representative.

Inquiries or address changes related to stock certificates should be directed to American Stock Transfer & Trust Company at the address below.

TRANSFER AGENT

American Stock Transfer
& Trust Company
40 Wall Street
New York, New York 10005

ANNUAL MEETING

The Annual Meeting of Shareholders of Gentex Corporation will be held at 4:30 p.m. EDST, May 18, 2000, at the Company's new automotive products manufacturing facility, 58 E. Riley Street, Zeeland, Michigan.

GENTEX MARKET MAKERS

As of March 1, 2000
ABN AMRO Securities (USA) Inc.
A.G. Edwards & Sons, Inc.
Archipelago, L.L.C.
B-Trade Services, L.L.C.
Cantor, Fitzgerald & Co.
CIBC World Markets Corp.
D.A. Davidson & Co., Inc.
First of Michigan Corporation
Fleet Trading/Div. Fleet Services
Gerald Klauer Mattison & Company
Herzog, Heine, Geduld, Inc.
ING Barrings Furman Selz, L.L.C.
Instinet Corporation
Island Systems Corporation
Jefferies & Company, Inc.
J.J.B. Hilliard, W. L. Lyons
J.P. Morgan Securities Inc.
Knight Securities, L.P.
Mayer & Schweitzer Inc.
McDonald & Company Sec., Inc.
Midwest Stock Exchange
Naccity Investments Inc.
Olde Discount Corporation
Pershing Trading Company
Prudential Securities Inc.
Raymond, James & Associates
Robert W. Baird & Co, Inc.
Sherwood Securities Corp.
Spear, Leeds & Kellogg
Strike Technologies, L.L.C.
The Brass Utility, L.L.C.
William Blair & Co.

Directors and Officers



OFFICERS *(shown at left)*

Fred Bauer, 57
Chairman of the Board
and Chief Executive Officer

Kenneth La Grand, 59
Executive Vice President

Enoch Jen, 48
Vice President, Finance
and Treasurer

John Mulder, 63
Vice President,
Customer Relations

Jim Hollars, 55
Senior Vice President,
International

Dennis Alexejun, 48
Vice President, North
American Automotive
Marketing

John Carter, 52
Vice President,
Engineering/Mechanical

Scott Edwards, 46
Vice President,
Fire Protection Products

Connie Hamblin, 38
Corporate Secretary
and Director, Corporate
Communications

DIRECTORS

Fred Bauer, 57
Chairman of the Board
and Chief Executive Officer,
Gentex Corporation
Zeeland, Michigan

Mickey Fouts, 68
Chairman of the Board
Equity Services Company
(investment services)
Castle Rock, Colorado

Kenneth La Grand, 59
Executive Vice President,
Gentex Corporation
Zeeland, Michigan

Arlyn Lanting, 59
Vice President, Finance
Aspen Enterprises, Ltd.
(real estate investments)
Grand Rapids, Michigan

John Mulder, 63
Vice President,
Customer Relations
Gentex Corporation
Livonia, Michigan

Ted Thompson, 70
Chairman of the Board
X-Rite Incorporated
(manufacturer of light and
color-measuring instruments)
Grandville, Michigan

Leo Weber, 70
Retired President
Robert Bosch Corporation
(manufacturer of sophisticated
automotive components)
Farmington Hills, Michigan



GENTEX
CORPORATION

A Smarter Vision™

600 N. Centennial Street
Zeeland, Michigan 49464
Phone: 616-772-1800
Fax: 616-772-7348
Website: www.gentex.com
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