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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

GENTEX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

AT SEPTEMBER 30, 1998 AND DECEMBER 31, 1997

	ASSETS -----	
	September 30, 1998 -----	December 31, 1997 -----
CURRENT ASSETS		
Cash and cash equivalents	\$ 33,706,719	\$ 26,768,647
Short term investments	27,476,703	14,362,736
Accounts receivable, net	30,148,736	24,515,525
Inventories	7,810,730	8,787,689
Prepaid expenses and other	2,058,034	1,484,839
	-----	-----
Total current assets	101,200,922	75,919,436
PLANT AND EQUIPMENT - NET	57,497,995	42,238,885
OTHER ASSETS		
Long-term investments	73,165,246	70,291,142
Patents and other assets, net	1,298,540	1,333,384
	-----	-----
Total other assets	74,463,786	71,624,526
	-----	-----
Total assets	\$ 233,162,703 =====	\$ 189,782,847 =====
LIABILITIES AND SHAREHOLDERS' INVESTMENT -----		
CURRENT LIABILITIES		
Accounts payable	\$ 10,212,226	\$ 8,760,256
Accrued liabilities	6,520,724	5,830,968
	-----	-----
Total current liabilities	16,732,950	14,591,224
DEFERRED INCOME TAXES	1,922,410	1,986,446
SHAREHOLDERS' INVESTMENT		
Common stock	4,315,606	2,123,949
Additional paid-in capital	61,239,384	53,654,663
Other shareholders' equity	148,952,353	117,426,565
	-----	-----
Total shareholders' investment	214,507,343	173,205,177
	-----	-----
Total liabilities and shareholders' investment	\$ 233,162,703 =====	\$ 189,782,847 =====

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	
	1998	1997	1998	1997
NET SALES	\$49,596,221	\$46,968,427	\$157,947,372	\$133,743,883
COST OF GOODS SOLD	30,412,536	30,264,933	96,322,113	86,503,617
 Gross profit	 19,183,685	 16,703,494	 61,625,259	 47,240,266
OPERATING EXPENSES:				
Research and development	2,861,513	2,406,153	8,152,256	6,890,365
Selling, general & administrative	3,044,766	2,587,579	9,135,974	8,057,107
 Total operating expenses	 5,906,279	 4,993,732	 17,288,230	 14,947,472
 Income from operations	 13,277,406	 11,709,762	 44,337,029	 32,292,794
OTHER INCOME (EXPENSE)				
Interest, net	1,382,076	1,045,992	3,983,323	3,018,292
Other	25,490	85,394	947,420	322,187
 Total other income	 1,407,566	 1,131,386	 4,930,743	 3,340,479
 Income before provision for federal income taxes	 14,684,972	 12,841,148	 49,267,772	 35,633,273
PROVISION FOR FEDERAL INCOME TAXES	4,784,000	4,174,000	16,101,000	11,581,000
 NET INCOME	 \$ 9,900,972	 \$ 8,667,148	 \$ 33,166,772	 \$ 24,052,273
 Earnings Per Share				
Basic	\$ 0.14	\$ 0.12	\$ 0.46	\$ 0.34
Diluted	\$ 0.13	\$ 0.12	\$ 0.45	\$ 0.34
Weighted Average Shares:				
Basic	71,823,718	70,263,914	71,487,969	70,060,082
Diluted	73,422,512	72,167,872	73,512,644	71,775,426

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, 1998 AND 1997

	1998	1997
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 33,166,772	\$ 24,052,273
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	6,142,455	4,334,341
Loss on disposal of equipment	111,218	12,011
Deferred income taxes	364,144	(76,590)
Amortization of deferred compensation	414,378	428,904
Change in assets and liabilities:		
Accounts receivable, net	(5,633,211)	(6,722,954)
Inventories	976,959	(2,314,899)
Prepaid expenses and other	(346,984)	(8,299)
Accounts payable	1,451,970	2,798,441
Accrued liabilities	689,756	(370,779)
	-----	-----
Net cash provided by operating activities	37,337,457	22,132,449
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease (increase) in short-term investments	(13,113,967)	20,614,369
Plant and equipment additions	(21,366,952)	(11,752,682)
Proceeds from sale of plant and equipment	52,709	1,500
Increase in long-term investments	(4,743,793)	(37,048,239)
Increase in other assets	(159,971)	(215,703)
	-----	-----
Net cash used for investing activities	(39,331,974)	(28,400,755)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock and tax benefit of stock plan transactions	8,932,589	5,937,244
	-----	-----
Net cash provided by financing activities	8,932,589	5,937,244
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,938,072	(331,062)
CASH AND CASH EQUIVALENTS, beginning of period	26,768,647	16,730,356
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 33,706,719	\$ 16,399,294
	=====	=====

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 generally accepted accounting principles 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 1997 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, 1998, and December 31, 1997, and the results of operations and cash flows for the interim periods presented.

(3) Inventories consisted of the following at the respective quarter ends:

	September 30, 1998	December 31, 1997
	-----	-----
Raw materials	\$ 3,683,574	\$ 4,931,434
Work-in-process	773,268	600,298
Finished goods	3,353,888	3,255,957
	-----	-----
	\$ 7,810,730	\$ 8,787,689
	=====	=====

(4) In connection with its April 1996, patent litigation settlement agreement with Donnelly Corporation, the Company agreed to pay Donnelly \$200,000 for a royalty-free, paid-up license for certain lighted mirror patents that had been declared invalid by the Federal District Court if Donnelly prevailed in its appeal to the Federal Circuit Court of Appeals. During the third quarter 1998, the Federal Circuit Court of Appeals overturned the lower court's decision, and the Company made the \$200,000 payment to Donnelly.

(5) 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. Comprehensive income was approximately as follows:

	September 30, 1998	September 30, 1997
	-----	-----
Quarter Ended	\$ 7,507,000	\$ 9,600,000
Nine Months Ended	31,955,000	25,613,000

(6) All earnings per share amounts and weighted daily average of shares of common stock outstanding have been restated, to reflect the two-for-one stock split effected in the form of a 100 percent common stock dividend issued to shareholders on June 19, 1998.

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

RESULTS OF OPERATIONS:

THIRD QUARTER 1998 VERSUS THIRD QUARTER 1997

Net Sales. Net sales for the third quarter of 1998 increased by approximately \$2,628,000, or 6%, when compared with the third quarter last year. Net sales of the Company's automotive mirrors increased by 5% as automatic mirror unit shipments increased by 10% from approximately 974,000 in the third quarter of 1997 to 1,069,000 in the current quarter. This increase reflected increased penetration on 1999 model year vehicles for interior and exterior electrochromic Night Vision Safety(TM) (NVS(R)) Mirrors. Shipments to customers in North America increased by 7%, despite a 5% reduction in North American light vehicle production, primarily due to increased mirror shipments for light trucks and sport/utility vehicles, partially offset by reduced shipments in July for General Motors due to two strikes at their component plants and the subsequent shutdown of the majority of their vehicle assembly plants. Mirror unit shipments to automotive customers outside North America increased by 16% compared with the third quarter in 1997, primarily due to increased mirror sub-assembly shipments to European automakers. Net sales of the Company's fire protection products increased 10%, primarily due to higher sales of certain of the Company's smoke detectors and generally improved industry sales.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold decreased from 64% in the third quarter of 1997 to 61% for the comparable period in 1998. This decreased percentage primarily reflected improved glass yields due to the Company's new in-house coater and processes.

Operating Expenses. Research and development expenses increased approximately \$455,000, and increased from 5% to 6% of net sales, when compared with the same quarter last year, primarily reflecting additional staffing for new product development, including mirrors with additional electronic features. Selling, general and administrative expenses increased approximately \$457,000, but remained at 6% of net sales, when compared with the third quarter of 1997. This increased expense primarily reflected the final \$200,000 patent settlement payment to Donnelly Corporation (see Item 1), as well as the establishment of a sales and engineering office in Japan and a warehouse distribution operation in Germany.

Other Income - Net. Other income increased by approximately \$276,000 when compared with the third quarter of 1997, primarily due to higher investable fund balances.

NINE MONTHS ENDED SEPTEMBER 30, 1998 , VERSUS NINE MONTHS ENDED SEPTEMBER 30, 1997

Net Sales. Net sales for the nine months ended September 30, 1998, increased by approximately \$24,203,000, or 18%, when compared with the same period last year. Automatic mirror unit shipments increased from approximately 2,735,000 in the first nine months of 1997 to 3,455,000 in the first nine months of 1998. This increase reflected increased penetration on domestic and foreign 1998 and 1999 model year vehicles for interior and exterior electrochromic NVS(R) Mirrors. Shipments to customers in North America increased by 32%, primarily due to increased mirror shipments for light trucks and sport/utility vehicles partially offset by reduced shipments in June and July for General Motors due to two strikes at their plants. Mirror unit shipments to automotive customers outside North America increased by 15% compared with the first nine months of 1997, primarily due to increased shipments of exterior mirror sub-assemblies for Mercedes-Benz. Net sales of the Company's fire protection products increased 1%, primarily due to higher sales of certain of the Company's smoke detectors, offset by lower than expected sales of certain audible and visual signals.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold decreased from 65% in the first nine months of 1997 to 61% for the comparable period in 1998. This decreased percentage primarily reflected improved yields on the Company's new aspheric, convex and

thin flat exterior mirrors and increased sales volume spread over fixed overhead expenses.

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

RESULTS OF OPERATIONS:

NINE MONTHS ENDED SEPTEMBER 30, 1998, VERSUS NINE MONTHS ENDED SEPTEMBER 30, 1997 (CONTINUED)

Operating Expenses. For the nine months ended September 30, 1998, research and development expenses increased approximately \$1,262,000, but remained at 5% of net sales, when compared with the same period last year, primarily reflecting additional staffing for new product development, including mirrors with additional electronic features. Selling, general and administrative expenses increased approximately \$1,079,000, but remained at 6% of net sales, when compared with the first nine months of 1997. This increased expense primarily reflected the establishment of a sales and engineering office in Japan and a warehouse distribution operation in Germany, and the final \$200,000 patent settlement payment to Donnelly Corporation.

Other Income - Net. Other income for the nine months ended September 30, 1998, increased by approximately \$1,590,000 as compared to the first nine months of 1997, primarily due to higher investable fund balances and realized gains on the sale of equity investments.

FINANCIAL CONDITION:

Management considers the Company's working capital and long-term investments totaling approximately \$157,633,000 at September 30, 1998, 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:

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 some pressure for select raw material cost increases.

The Company currently supplies NVS(R) Mirrors to BMW, Chrysler Corporation, Ford Motor Company and General Motors Corporation under long-term agreements. The BMW long-term contract is through March 31, 1999, and the long-term supply agreement with Chrysler Corporation runs through the 2003 Model Year. The term of the Ford contract is through December 1999, while the GM contract runs through the 2002 Model Year.

The Company has developed a plan to address its computer systems' compliance with the Year 2000. Internal remediation activities are underway, and the Company expects that all internal remediation activities will be completed by December 31, 1998, and all internal acceptance testing will be completed by mid-1999. The Company is in the process of ascertaining the status of its suppliers' Year 2000 compliance efforts, and plans to develop contingency plans by mid-1999 for any key suppliers that will not be compliant on a timely basis. The Company currently believes that the cost of addressing the Year 2000 issue will not be material to the Company's business, operations or financial condition.

While the Company believes all necessary work will be completed, there can be no guarantee that all systems will be in compliance by the year 2000 or that the systems of other companies on which the Company relies will be converted in a timely manner. Such failure to complete the necessary work by the year 2000 could cause delays in the Company's ability to produce or ship its products, process transactions, or otherwise conduct business in its markets, resulting in material financial risk.

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 1. Legal Proceedings

In connection with its April 1996, patent litigation settlement agreement with Donnelly Corporation, the Company agreed to pay Donnelly \$200,000 for a royalty-free, paid-up license for certain lighted mirror patents that had been declared invalid by the Federal District Court if Donnelly prevailed in its appeal to the Federal Circuit Court of Appeals. During the third quarter 1998, the Federal Circuit Court of Appeals overturned the lower court's decision, and the Company made the \$200,000 payment to Donnelly.

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, 1998.

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 11/06/98 /s/ Fred T. Bauer

Fred T. Bauer
Chairman and Chief
Executive Officer

Date 11/06/98 /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)(i) 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 by reference.	
3(b)(1)	Registrant's Bylaws as amended and restated August 18, 1995 were filed as Exhibit 3(b) to Registrant's Report on Form 10-Q dated November 1, 1995, and the same is incorporated herein by reference.	
3(b)(2)	First Amendment to Bylaws, adopted on August 25, 1997, was filed as Exhibit 3(c) to Registrant's Report on Form 10-Q dated October 31, 1997, 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)	Shareholder Protection Rights Agreement, dated as of August 26, 1991, 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 8-K on August 20, 1991, and the same is hereby incorporated herein by reference.	
4(b)(1)	First Amendment to Shareholder Protection Rights Agreement, effective April 1, 1994, was filed as Exhibit 4(b)(1) to Registrant's report on Form 10-Q on April 29, 1994, and the same is hereby incorporated herein by reference.	
4(b)(2)	Second Amendment to Shareholder Protection Rights Agreement, effective November 8, 1996, was filed as Exhibit 4(b)(2) to Registrant's Report on Form 10-K, dated March 7, 1997, 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.	

EXHIBIT NO.	DESCRIPTION	PAGE
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*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 1987 Incentive Stock Option Plan (as amended through May 24, 1989), was filed as Exhibit 10(g)(3) to Registrant's Report on Form 10-K dated March 1, 1990, and the same is hereby incorporated herein by reference.	
*10(b)(3)	Gentex Corporation Restricted Stock Plan was filed as Exhibit 10(b)(3) to Registrant's Report on Form 10-K dated March 10, 1992, and the same is hereby incorporated herein by reference.	
*10(b)(4)	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 in 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.	
27	Financial Data Schedule	

* Indicates a compensatory plan or arrangement.

9-MOS		
	DEC-31-1998	
	SEP-30-1998	
		33,706,719
		27,476,703
		30,148,736
		0
		7,810,730
	101,200,922	
		84,034,797
	(26,536,802)	
	233,162,703	
16,732,950		
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	0	
		0
		4,315,606
	210,191,737	
233,162,703		
		157,947,372
	157,947,372	
		96,322,113
	96,322,113	
	(4,930,743)	
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	49,267,772	
	16,101,000	
33,166,772		
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	33,166,772	
		0.46
		0.45