

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

GENTEX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

At June 30, 1998 and December 31, 1997

ASSETS -----	June 30, 1998 -----	December 31, 1997 -----
CURRENT ASSETS		
Cash and cash equivalents	\$36,700,194	\$26,768,647
Short term investments	22,637,138	14,362,736
Accounts receivable, net	21,323,947	24,515,525
Inventories	8,384,563	8,787,689
Prepaid expenses and other	2,060,883	1,484,839
	-----	-----
Total current assets	91,106,725	75,919,436
PLANT AND EQUIPMENT - NET	57,391,333	42,238,885
OTHER ASSETS		
Long-term investments	74,405,173	70,291,142
Patents and other assets, net	1,255,858	1,333,384
	-----	-----
Total other assets	75,661,031	71,624,526
	-----	-----
Total assets	\$224,159,089 =====	\$189,782,847 =====
LIABILITIES AND SHAREHOLDERS' INVESTMENT -----		
CURRENT LIABILITIES		
Accounts payable	\$9,366,910	\$8,760,256
Accrued liabilities	5,931,365	5,830,968
	-----	-----
Total current liabilities	15,298,275	14,591,224
DEFERRED INCOME TAXES	2,875,735	1,986,446
SHAREHOLDERS' INVESTMENT		
Common stock	4,307,965	2,123,949
Additional paid-in capital	60,029,670	53,654,663
Other shareholders' equity	141,647,444	117,426,565
	-----	-----
Total shareholders' investment	205,985,079	173,205,177
	-----	-----
Total liabilities and shareholders' investment	\$224,159,089 =====	\$189,782,847 =====

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30		Six Months Ended June 30	
	1998	1997	1998	1997
NET SALES	\$51,371,749	\$44,873,334	\$108,351,151	\$86,775,456
COST OF GOODS SOLD	31,569,068	29,068,728	65,909,577	56,238,684
Gross profit	19,802,681	15,804,606	42,441,574	30,536,772
OPERATING EXPENSES:				
Research and development	2,711,514	2,406,945	5,290,743	4,484,212
Selling, general & administrative	3,055,195	2,779,137	6,091,208	5,469,528
Total operating expenses	5,766,709	5,186,082	11,381,951	9,953,740
Income from operations	14,035,972	10,618,524	31,059,623	20,583,032
OTHER INCOME (EXPENSE)				
Interest and dividend income	1,355,061	1,020,651	2,601,248	1,972,300
Other, net	616,485	213,671	921,930	236,793
Total other income	1,971,546	1,234,322	3,523,178	2,209,093
Income before provision for federal income taxes	16,007,518	11,852,846	34,582,801	22,792,125
PROVISION FOR FEDERAL INCOME TAXES	5,243,000	3,852,000	11,317,000	7,407,000
NET INCOME	\$10,764,518	\$8,000,846	\$23,265,801	\$15,385,125
Earnings Per Share				
Basic	\$0.15	\$0.11	\$0.33	\$0.22
Diluted	\$0.15	\$0.11	\$0.32	\$0.21
Weighted Average Shares:				
Basic	71,560,230	69,900,136	71,332,350	69,869,560
Diluted	73,807,749	71,624,684	73,584,918	71,571,266

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTHS ENDED JUNE 30, 1998 AND 1997

	1998	1997
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$23,265,801	\$15,385,125
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	4,147,632	3,037,338
Loss on disposal of equipment	30,162	5,319
Deferred income taxes	(220,748)	(149,458)
Amortization of deferred compensation	266,089	284,510
Change in assets and liabilities:		
Accounts receivable, net	3,191,578	(4,469,263)
Inventories	403,126	(3,222,289)
Prepaid expenses and other	(101,005)	(115,172)
Accounts payable	606,654	4,387,189
Accrued liabilities	100,397	919,229
	-----	-----
Net cash provided by operating activities	31,689,686	16,062,528
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease (increase) in short-term investments	(8,274,402)	16,338,194
Plant and equipment additions	(19,144,246)	(8,593,511)
Proceeds from sale of plant and equipment	550	1,500
Increase in long-term investments	(2,299,752)	(31,941,877)
Increase in other assets	(106,307)	(172,511)
	-----	-----
Net cash used for investing activities	(29,824,157)	(24,368,205)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock and tax benefit of stock plan transactions	8,066,018	3,241,912
	-----	-----
Net cash provided by financing activities	8,066,018	3,241,912
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,931,547	(5,063,765)
CASH AND CASH EQUIVALENTS, beginning of period	26,768,647	16,730,356
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$36,700,194	\$11,666,591
	=====	=====

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 June 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:

	June 30, 1998 -----	December 31, 1997 -----
Raw materials	\$4,375,141	\$4,931,434
Work-in-process	600,298	600,298
Finished goods	3,409,124	3,255,957
	-----	-----
	\$8,384,563	\$8,787,689
	=====	=====

(4) 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:

	June 30, 1998 -----	June 30, 1997 -----
Quarter Ended	\$10,477,000	\$ 8,798,000
Six Months Ended	24,448,000	16,014,000

(5) 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.

GENTEX CORPORATION AND SUBSIDIARIES

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

RESULTS OF OPERATIONS:

SECOND QUARTER 1998 VERSUS SECOND QUARTER 1997

Net Sales. Net sales for the second quarter of 1998 increased by approximately \$6,498,000, or 14%, when compared with the second quarter last year. Net sales of the Company's automotive mirrors increased by 17% as automatic mirror unit shipments increased by 25% from approximately 897,000 in the second quarter of 1997 to 1,118,000 in the current quarter. This increase reflected increased penetration on domestic 1998 model year vehicles for interior and exterior electrochromic Night Vision Safety(TM) (NVS(R)) Mirrors. Shipments to customers in North America increased by 45%, despite slightly down North American light vehicle production, primarily due to increased mirror shipments for light trucks and sport/utility vehicles, partially offset by reduced shipments in June 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 decreased by 5% compared with the second quarter in 1997, primarily due to reduced interior mirror sub-assembly shipments to Korean automakers and one Japanese customer. Net sales of the Company's fire protection products decreased 4%, primarily due to lower than expected sales of certain of the Company's audible and visual signals, and generally light industry sales.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold decreased from 65% in the second quarter 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.

Operating Expenses. Research and development expenses increased approximately \$305,000, but remained at 5% 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 \$276,000, but remained at 6% of net sales, when compared with the second quarter of 1997. This increased expense primarily reflected 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 \$737,000 when compared with the second quarter of 1997, primarily due to higher investable fund balances and realized gains on the sale of equity investments.

SIX MONTHS ENDED JUNE 30, 1998 VERSUS SIX MONTHS ENDED JUNE 30, 1997

Net Sales. Net sales for the six months ended June 30, 1998 increased by approximately \$21,576,000, or 25%, when compared with the same period last year. Automatic mirror unit shipments increased from approximately 1,760,000 in the first six months of 1997 to 2,386,000 in the first six months of 1998. This increase reflected increased penetration on domestic and foreign 1998 model year vehicles for interior and exterior electrochromic Night Vision Safety(TM) (NVS(R)) Mirrors. Shipments to customers in North America increased by 47%, primarily due to increased mirror shipments for light trucks and sport/utility vehicles partially offset by reduced shipments in June 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 six months of 1997, primarily due to increased shipments of exterior aspheric mirrors for Mercedes-Benz. Net sales of the Company's fire protection products decreased 4%, primarily due to lower than expected sales of certain of the Company's audible and visual signals, and generally light industry sales.

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

RESULTS OF OPERATIONS:

SIX MONTHS ENDED JUNE 30, 1998 VERSUS SIX MONTHS ENDED JUNE 30, 1997 (cont.)

Cost of Goods Sold. As a percentage of net sales, cost of goods sold decreased from 65% in the first six 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.

Operating Expenses. For the six months ended June 30, 1998, research and development expenses increased approximately \$807,000, 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 \$622,000, but remained at 6% of net sales, when compared with the first six 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.

Other Income - Net. Other income for the six months ended June 30, 1998, increased by approximately \$1,314,000 as compared to the first six 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 \$150,214,000 at June 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's largest customer, General Motors, has shut down virtually all of its assembly plants due to strikes at two component plants which began in early June. After the scheduled 2-week General Motors plant shutdown at the beginning of July, shipments for General Motors represent approximately \$2 million in sales per week. As the GM strikes have just been settled, it is not yet determinable when or how quickly shipments for General Motors will resume.

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 ensure that its computer systems will be compliant by mid 1999 with the Year 2000. 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.

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

The annual meeting of the shareholders of the Company was held on May 21, 1998, at which:

- (i) The following nominees were elected to serve three-year terms on the Company's Board of Directors by the following votes:

	John Mulder -----	Mickey Fouts -----
For	29,070,129	29,187,709
Against	-	-
Withheld	2,058,110	1,940,530
Broker Non-Votes	-	-

The terms of office for incumbent Directors Fred Bauer, Arlyn Lanting, Kenneth La Grand, Ted Thompson and Leo Weber, continued after the meeting.

- (ii) A proposal to adopt the Amended and Restated Gentex Corporation Qualified Stock Option Plan was approved by the following vote:

For	28,249,696
Against	3,403,480
Abstain	107,472
Broker Non-Votes	-

- (iii) A proposal to amend the Articles of Incorporation to increase the authorized shares of common stock was approved by the following vote:

For	30,369,827
Against	1,257,839
Abstain	132,982
Broker Non-Votes	-

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 June 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 07/30/98

/s/ Fred T. Bauer

Fred T. Bauer
Chairman and Chief
Executive Officer

Date 07/30/98

/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, and 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, all of which are hereby incorporated herein by reference.	12
3(a)(2)	Amendment to Articles of Incorporation, adopted on May 21, 1998.	
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.	
(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
*10(b)(1)	Gentex Corporation Qualified Stock Option Plan (as amended and restated, 13 effective August 25, 1997).	13
*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.

ARTICLE III

The total number of shares of all classes of stock which the Corporation shall have the authority to issue is 105,000,000 shares, consisting of 100,000,000 shares of Common Stock, par value \$.06 per share and 5,000,000 shares of Preferred Stock, no par value.

The authorized shares of Common Stock of the par value of \$.06 per share are all of one class with equal voting power, and each such share shall be equal to every other such share.

The shares of Preferred Stock may be divided into and issued in one or more series. The Board of Directors is hereby authorized to cause the Preferred Stock to be issued from time to time in one or more series with such designations and such relative voting, dividend, liquidation and other rights, preferences and limitations as shall be stated and expressed in the resolution providing for the issue of such Preferred Stock adopted by the Board of Directors. The Board of Directors by vote of a majority of the whole Board is expressly authorized to adopt such resolution or resolutions and issue such stock from time to time as it may deem desirable.

GENTEX CORPORATION
QUALIFIED STOCK OPTION PLAN
(AS AMENDED AND RESTATED, EFFECTIVE AUGUST 25, 1997)

1. PURPOSE. The purpose of this Plan is to provide an opportunity for certain employees of Gentex Corporation and its subsidiaries to purchase shares of capital stock of the Corporation and thereby have an additional incentive to contribute to the prosperity of the Corporation.

2. DEFINITIONS. The following terms are defined for use herein as follows:

a. "Board" means the Board of Directors of Gentex Corporation.

b. "Common Stock" means the common stock (par value, \$.06 per share) of Gentex Corporation.

c. "Committee" means the committee appointed pursuant to Paragraph 4 to administer the Plan.

d. "Corporation" means Gentex Corporation and any subsidiary corporation where Gentex Corporation owns fifty percent (50%) or more of the combined voting power of all outstanding securities within the meaning of the applicable provisions of the Internal Revenue Code.

e. "Effective Date" means the effective date of this Amended and Restated Plan, August 25, 1997.

f. "Market Value" means the closing sale price of Common Stock reported in the NASDAQ National Market for the day on which the particular option is granted, or, if prices of shares of Common Stock are not so published for that date, then a fair market value determined by the Committee by any reasonable method selected by it in good faith.

g. "Optionee" means any employee to whom an option has been granted under the Plan.

h. "Option Agreement" means an agreement evidencing options as provided in Paragraph 7 of the Plan.

i. "Plan" means this Qualified Stock Option Plan of the Corporation as in effect from time to time.

j. "Option Price" means the purchase price for Common Stock under an option, as determined under Paragraph 7 of this Plan.

3. SHARES.

a. The total number of shares of the Common Stock which may be sold under the Plan shall not exceed 4,500,000 shares, except that the total number of shares which may be sold under the Plan may be increased to the extent of adjustments authorized by Paragraph 10. Such shares shall be authorized shares and may be either unissued shares or treasury shares.

b. If an option granted under the Plan shall expire or terminate for any reason without having been exercised in full, the shares not delivered under such option shall be available for options subsequently granted.

4. ADMINISTRATION.

a. The Plan shall be administered by a Committee appointed by the Board, which shall consist of three (3) or more members. All members of the Committee shall be directors. The Committee shall determine the employees to be granted options, the amount of stock to be optioned to each employee, and the terms of the options to be granted. The Committee shall have full power and authority to interpret the provisions of the Plan, to supervise the administration of the Plan and to adopt forms and procedures for the administration of the Plan. All determinations made by the Committee shall be final and conclusive.

b. The granting of any option pursuant to this Plan shall be entirely within the discretion of the Committee. Nothing herein contained shall be construed to give any officer or employee any right to participate under this Plan.

c. Each person who is or shall have been a member of the Committee shall be indemnified and held harmless by the Corporation from and against any cost, liability or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person may rely on information furnished in connection with the Plan's administration by any appropriate person or persons.

5. ELIGIBILITY. Only employees of the Corporation shall be eligible to participate in the Plan. The Committee shall determine whether or not an individual is eligible to participate in the Plan. An employee who has been granted an option under this Plan or any other stock option plan of the Corporation may be granted additional options.

6. EXERCISE PRICE. The per share exercise price of each option granted under the Plan shall be at least one hundred percent (100%) of the Market Value of a share of Common Stock; provided, however, any option granted to a participant possessing more than ten percent (10%) of the total combined voting power of all classes of stock of Gentex Corporation shall be at an Option Price not less than one hundred ten percent (110%) of the market value of a share of Common Stock and shall not be exercisable after the expiration of five years from the date the option is granted.

7. TERMS OF OPTIONS. Each option shall be evidenced by a written agreement containing such terms and conditions as are set by the Board or the Committee, including without limitation the following:

a. NUMBER OF SHARES. Each Option Agreement shall state the number of shares to which it pertains.

b. EXERCISE PRICE. Each Option Agreement shall state the exercise price.

c. MEDIUM AND TIME OF PAYMENT. The exercise price for each share purchased pursuant to an option granted under the Plan shall be payable in full upon exercise, and may be paid in cash or, in full or in part, by the surrender of Common Stock owned by the Optionee valued at fair market value or by the surrender of Option rights hereunder that are then exercisable, valued at the difference between the Option Price and the fair market value of the underlying Common Stock. Promptly after the exercise of an Option and the payment of the full Option Price, the Optionee shall be entitled to the issuance of a stock certificate evidencing ownership of such Common Stock. However, an Optionee shall have none of the rights of a shareholder until a certificate for those Shares is issued to the Optionee, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Paragraph 10 of this Plan.

d. TERM AND EXERCISE OF OPTIONS. Each option shall be exercisable in whole or in part in such amounts and at or after such dates as may be specified in the option agreement. In no event, however, shall any option be exercisable less than one (1) year from the date of grant.

e. Administrative Discretion. The Committee may in its discretion vary, among employees and among options granted to the same employee, any and all of the terms and conditions of options granted under the Plan, including the term during which and the amounts in which and dates at or after which such options may be exercised.

8. TRANSFERABILITY OF OPTIONS AND COMMON STOCK. Options under this Plan may not be transferred except by will or according to the laws of descent and distribution. During the lifetime of the Optionee, an option may be exercised only by the Optionee or his guardian or legal representative. After an Optionee's death, options that were exercisable at the date of death may be exercised at any time within one year after the date of death, subject to prior expiration, by the executor or administrator of the Optionee's estate, any person(s) who acquired the option directly from the Optionee by bequest or inheritance, or any person designated specifically in a written designation signed by the Optionee and filed with the Committee prior to the date of death. The Corporation may, in the event it deems the same desirable to assure compliance with applicable federal and state securities laws, legend any certificate representing shares issued pursuant to the exercise of an option with an appropriate restrictive legend, and may also issue appropriate stop transfer instructions to its transfer agent with respect to such shares.

9. TERMINATION OF OPTIONS. Each option agreement shall contain such provisions as the Committee may deem advisable for termination of the option in the event of, and/or exercise of the option after the Optionee's death, disability, or termination of employment by the Corporation. No option may be exercised more than three (3) months after the termination of the Optionee's employment by the Corporation, nor more than twelve (12) months after the Optionee shall have died or become disabled, without the specific approval of the Committee.

Option agreements may also contain, in the discretion of the Committee, provisions for termination of options and/or acceleration of exercise rights in the event of any merger or consolidation of the Corporation with, or acquisition of the Corporation or substantially all of its assets by, any other corporation or entity.

Nothing in the Plan or in any option shall limit or affect in any way the right of the Corporation to terminate an Optionee's employment at any time nor be deemed to confer upon any Optionee any right to continue in the employ of the Corporation.

10. ADJUSTMENT PROVISION. If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization, merger, consolidation, split-up, combination or exchange of shares, the aggregate number and class of shares available under this Plan and the number of shares subject to each outstanding option, together with the option prices, shall be appropriately adjusted by the Board or Committee to prevent dilution of the interests of Optionees and of the Plan.

11. EFFECTIVE DATE OF PLAN, TERMINATION AND AMENDMENT. The August 25, 1997 Plan Restatement shall take effect only upon and as of the date of approval of the Plan by the Corporation's shareholders. Unless earlier terminated by the Board, the Plan shall terminate on the date ten (10) years subsequent to the date of the adoption of the Plan Restatement by the Board, after which date no options may be granted under this Plan. The Board may terminate the Plan at any time, or may from time to time amend the Plan as it deems proper and in the best interest of the Corporation, provided that no such amendment may (a) alter the aggregate number of shares that may be issued under the Plan, (b) decrease the price at which options may be granted, or (c) modify the eligibility requirements set forth in Paragraph 5.

CERTIFICATION

The foregoing Plan Restatement was duly adopted by the Board of Directors, effective August 25 1997, subject to the approval of the Company's shareholders.

/s/ CONNIE HAMBLIN

Connie Hamblin, Secretary
Gentex Corporation

6-MOS
 DEC-31-1998
 DEC-31-1998
 36,700,194
 22,637,138
 21,323,947
 0
 8,384,563
 91,106,725
 81,990,124
 (24,598,791)
 224,159,089
 15,298,275
 0
 4,307,965
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 0
 201,677,114
 224,159,089
 108,351,151
 108,351,151
 65,909,577
 65,909,577
 (3,523,178)
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 34,582,801
 11,317,000
 23,265,801
 0
 0
 0
 23,265,801
 0.33
 0.32