UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________

Commission file number: 0-17219

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

UTAH	87-0398877
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1825 RESEARCH WAY, SALT LAKE CITY, UTAH	84119
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (801) 975-7200

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

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

CLASS OF COMMON STOCK	NOVEMBER 12, 1999
$0.001 PAR VALUE	8,218,255 SHARES

Transitional Small Business Disclosure Format (check one)

[ ] Yes [X] No

GENTNER COMMUNICATIONS CORPORATION

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GENTNER COMMUNICATIONS CORPORATION

BALANCE SHEETS

	(Unaudited) September 30, 1999	(Audited) June 30, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,228,128	$ 3,922,183
Accounts receivable	2,797,391	2,242,294
Inventory	2,813,408	2,858,835
Deferred taxes	115,000	115,000
Other current assets	312,554	143,441
Total current assets	10,266,481	9,281,753
Property and equipment, net	2,193,853	2,125,959
Other assets, net	98,291	111,702
Total assets	$12,558,625	$11,519,414
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 422,691	$ 725,193
Accrued compensation and other benefits	476,657	762,345
Accrued federal and state income taxes	702,087	229,087
Other accrued expenses	629,260	562,187
Current portion of capital lease obligations	221,714	215,854
Total current liabilities	2,452,409	2,494,666
Capital lease obligations	397,713	455,389
Deferred tax liability	217,000	217,000
Total liabilities	3,067,122	3,167,055
Shareholders' equity:		
Common stock, 50,000,000 shares authorized, par value $.001, 8,193,748 and 8,129,691 shares issued and outstanding at September 30, 1999 and June 30, 1999	8,194	8,130
Additional paid-in capital	5,083,542	5,024,858
Retained earnings	4,399,767	3,319,371
Total shareholders' equity	9,491,503	8,352,359
Total liabilities and shareholders' equity	$12,558,625	$11,519,414

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

STATEMENTS OF INCOME

	(Unaudited) Three Months Ended September 30, 1999	1998
Product sales	$ 6,007,545	$ 4,714,897
Service sales	1,076,728	783,046
Total net sales	7,084,273	5,497,943
Cost of goods sold - products	2,101,325	1,925,906
Cost of goods sold - services	614,293	591,456
Cost of goods sold	2,715,618	2,517,362
Gross profit	4,368,655	2,980,581
Operating Expenses:		
Marketing and selling	1,471,897	1,129,179
General and administrative	746,619	635,632
Product development	460,676	363,529
Total operating expense	2,679,192	2,128,340
Operating income	1,689,463	852,241
Other income (expense):		
Interest income	45,767	8,825
Interest expense	(18,550)	(34,460)
Other, net	4,716	(9,809)
Total other income (expense)	31,933	(35,444)
Income before income taxes	1,721,396	816,797
Provision for income taxes	641,000	308,000
Net income	$ 1,080,396	$ 508,797
Basic earnings per common share	$ 0.13	$ 0.06
Diluted earnings per common share	$ 0.12	$ 0.06

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

STATEMENTS OF CASH FLOWS

	(Unaudited) Three Months Ended September 30, 1999	1998
Cash flows from operating activities:		
Net income	$ 1,080,396	$ 508,797
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	182,056	216,106
Amortization of other assets	5,458	5,458
Changes in operating assets and liabilities:		
Accounts receivable	(555,097)	(455,949)
Inventory	45,427	631,930
Other current assets	(169,113)	30,200
Accounts payable and other accrued expenses	(48,117)	256,964
Net cash provided by operating activities	541,010	1,193,506
Cash flows from investing activities:		
Purchases of property and equipment	(249,950)	(48,038)
Repayment of note receivable	7,953	3,659
Net cash used in investing activities	(241,997)	(44,379)
Cash flows from financing activities:		
Proceeds from issuance of common stock	1,612	1,064
Exercise of employee stock options	57,136	316,955
Principal payments of capital lease obligations	(51,816)	(54,056)
Principal payments of long-term debt	--	(68,468)
Net cash provided by financing activities	6,932	195,495
Net increase in cash	305,945	1,344,622
Cash at the beginning of the year	3,922,183	715,325
Cash at the end of the period	$ 4,228,128	$ 2,059,947
Supplemental disclosure of cash flow information:		
Income taxes paid	$ 168,000	$ 53,500
Interest paid	$ 18,689	$ 33,638

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. Accordingly, certain information and footnote disclosures normally included in complete financial statements have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and footnotes thereto included in the Company's 1999 Annual Report and Form 10-KSB.

In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the results of operations to be expected for the full year.

2. EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted net income per share:

	Three months ended September 30,	
	1999	1998
Numerator:		
Net income	$1,080,396	$ 508,797
Denominator:		
Denominator for basic net income per share - weighted average shares	8,171,978	7,948,358
Effect of dilutive securities using treasury stock method	541,094	174,082
	8,713,073	8,122,440
Net income per share - basic	$ 0.13	$ 0.06
Net income per share - dilutive	$ 0.12	$ 0.06

3. COMPREHENSIVE INCOME

As of July 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income." Comprehensive income for the three-month periods ended September 30, 1999 and 1998 was equal to net income.

4. USE OF 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 in the financial statements and these accompanying notes. Actual results could differ from those estimates.

5. INVENTORY

Inventory is summarized as follows:

	(Unaudited) September 30, 1999	(Audited) June 30, 1999
Raw Materials	$1,052,588	$1,055,615
Work in progress	507,402	347,898
Finished Goods	1,253,418	1,455,322
Total inventory	$2,813,408	$2,858,835

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

6. STOCK OPTION EXERCISE

The following table shows the changes in stock options outstanding.

	Number of Shares	Weighted Average Exercise Price
Options outstanding as of June 30, 1999	1,408,048	$ 1.94
Options expired & canceled	(80,000)	$ 2.66
Options exercised	(63,750)	$ 0.93
Options granted	75,000	$ 6.19
Options outstanding as of September 30, 1999	1,339,298	$ 2.16

7. COMMITMENTS

The Company has entered into an agreement to purchase 300 videoconference engines. The remaining cost of this commitment is approximately $252,000 at September 30, 1999. The Company has entered into this agreement in order to secure parts for the new video product line and expects to purchase the remaining units by December 31, 1999.

8. SEGMENT REPORTING

The Company has changed how it evaluates its operations internally resulting in a change in its segments. To obtain a better understanding of conferencing products and services and the related business opportunities, management has divided the former conferencing segment into two segments. As a result, the Company now reports four different segments - Remote Facilities Management (RFM), Conferencing Products, Conferencing Services and Other. The RFM segment consists remote site control products which are designed to monitor and control processes and equipment from a single source to many locations. This segment also consists of telephone interface products which are designed to facilitate the interface between regular telephone lines and the broadcast world allowing callers to speak live on radio airwaves to millions of listeners. The Conferencing Products segment consists of a full line of room system conferencing products including installed audio- and videoconferencing products. The Conferencing Services segment includes conference calling services, audio bridging, document conferencing services and the addition of the professional services group, which provides consultation services, meeting facilitation and web presentation services.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. The Company evaluates the performance of these business segments based upon a measure of gross profit since general and administrative costs are not allocated to each segment.

The Company's reportable segments are strategic business units that offer products and services to different customer needs. They are managed separately because each segment requires focus and attention on their market and distribution channel.

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

The following table summarizes the segment information:

	RFM	Conferencing Products	Conferencing Services	All Other	Company Totals
Quarter Ended September 30, 1999:					
Net sales	$ 2,058,531	$ 3,895,346	$ 997,584	$ 132,812	$ 7,084,273
Cost of goods sold	812,038	1,265,708	594,139	43,733	2,715,618
Gross profit	1,246,493	2,629,638	403,445	89,079	4,368,655
Marketing and selling	331,390	824,814	314,119	1,574	1,471,897
Product development	255,683	204,993			460,676
General and administrative					746,619
Total operating expenses					2,679,192
Operating profit					1,689,463
Other income (expense)					31,933
Income before income taxes					1,721,396
Provision for income taxes					(641,000)
Net income					$ 1,080,396
Quarter Ended September 30, 1998:					
Net sales	$ 1,706,755	$ 2,875,935	$ 710,179	$ 205,074	$ 5,497,943
Cost of goods sold	759,249	1,116,379	568,706	73,028	2,517,362
Gross profit	947,506	1,759,556	141,473	132,046	2,980,581
Marketing and selling	296,505	607,799	221,702	3,173	1,129,179
Product development	76,215	287,314			363,529
General and administrative					635,632
Total operating expenses					2,128,340
Operating profit					852,241
Other income (expense)					(35,444)
Income before income taxes					816,797
Provision for income taxes					(308,000)
Net income					$ 508,797

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The Company has changed how it evaluates its operations internally resulting in a change in its segments. To obtain a better understanding of conferencing products and services and the related business opportunities, management has divided the former conferencing segment into two segments. As a result, the Company now reports four different segments - Remote Facilities Management (RFM), Conferencing Products, Conferencing Services and Other.

Sales for the three months ended September 30, 1999 increased 29% compared to the same three-month period last year. Growth was primarily due to increased sales in conferencing products and conferencing services.

Sales in Conferencing products increased 35% comparing the first quarter of this fiscal year to the same quarter last year. This increase was mainly due to the success of the Audio Perfect(TM) product line. The Audio Perfect(TM) product line began shipping in April of 1998 with the AP800. The Company has continued to introduce new products in this family such as the AP400, APV200 and AP Tools. These products use a new digital technology called Distributed Echo Cancellation(TM) and incorporate several functional devices including automatic microphone mixing, echo cancellation, audio routing, audio equalization and audio processing into a single device. The Company anticipates generating more of the revenue associated with a room installation as a result of the expanded applications. The Company has also introduced a video conference system which has contributed to sales.

Conferencing services, 1-800 LETS MEET(R), experienced sales growth of 40% in the first quarter of this fiscal year as compared to the first quarter of last fiscal year. The Company attributes this growth in sales to an increased customer base as well as the overall market growth over the last year. This increase was also the result of the Company expanding its sales staff, who market its conference calling service. The Company's conference calling service is being marketed not only to corporate clients, but also to long distance telephone service providers for resale.

RFM sales increased 21% in the first quarter of this fiscal year as compared to the first quarter of last fiscal year. Remote Facilities Management (formerly known as Remote Site Control) grew 52%, mainly due to increased sales of the GSC3000. The GSC3000 allows broadcasters to monitor and control many transmitter sites from one location. Sales to the OEM, television and international markets contributed to the increased sales of the GSC3000. Sales of the Telephone Interface line increased 4% during the first quarter of this year compared to the first quarter of last year.

Sales of Other Products decreased 35% in the first quarter of this fiscal year as compared to the first quarter of last fiscal year. In general, the Company is not promoting Other Products, and those sales are expected to continue to decline.

The Company's gross profit margin percentage was 62% for the first quarter of this year, compared to 54% for the same quarter last year. This increase was primarily due to a critical focus on improving manufacturing processes, aggressive vendor pricing, new products with higher gross profit margins, and a different product mix. The Company does not expect to see margins remain at this high level. The Company's overall gross profit margin would be negatively impacted if the price of raw components increases or if services becomes a higher percentage of total sales.

Operating expenses for the quarter increased 26% when comparing the first quarters of this fiscal year and last fiscal year. The most significant portion of this increase came in marketing and selling expenses, which increased 30%, comparing first quarters of this year and last year.

Marketing and selling expenses increased 30% for the first quarter as compared to last year. The increase was primarily due to the hiring of additional personnel to more aggressively market and sell the Company's products and service. Also contributing to the increase was higher commission expense resulting from the increase in sales.

Product Development expenses increased 27% in the first quarter of this year compared to last year. The Product Development team is working on new product development, which the Company anticipates will enhance future revenue growth. The increase was due to hiring of personnel and associated recruiting costs.

First quarter General and Administrative expenses are up 17% compared to the same period last year. This increase was mainly due to hiring of personnel and the infrastructure costs associated with the hiring of all new personnel.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - (CONTINUED)

Results of Operations - (continued)

Interest expense for the quarter was down 44% compared to the same quarter last year due to the maturing of some of the Company's leases and the payoff of several notes later in fiscal 1999.

During the first quarter of fiscal 2000, income tax expense was calculated at a combined federal and state tax rate of about 37%, resulting in a tax expense of $641,000. First quarter of fiscal 1999, income tax expense was $308,000 with a calculated combined tax rate of about 38%.

Financial Condition and Liquidity

The Company's current ratio increased from 3.72:1 on June 30, 1999 to 4.19:1 on September 30, 1999. This increase in current ratio was due primarily to an increase in the amount of cash on hand, offsetting the increase in accrued expenses, as well as a decrease in accounts payable. Also affecting the current ratio was an increase in the accounts receivable due to increased sales.

The Company continues to experience positive operating cash flows. Increasing sales and profitability have contributed to positive operating cash flows which was offset by an increase in accounts receivable and other current assets.

The Company has an available revolving line of credit of $5.0 million, which is secured by the Company's accounts receivable and inventory. The interest rate on the line of credit is a variable interest rate (250 basis points over the London Interbank Offered Rate (LIBOR) or prime less 0.25%, whichever the Company chooses). There was no outstanding balance on September 30, 1999. The line of credit expires on December 22, 2000.

As sales continue to increase, the Company expects to achieve its business plan through a combination of internally generated funds and short-term or long-term borrowings, if necessary.

Forward Looking Statements

Certain statements contained in this report are forward looking statements. These include the discussion regarding the Company's beliefs, plans, objectives, expectations, and intentions about the Company's ability to obtain more of the revenue associated with room installations, the Company's belief that it will enhance future revenue growth through the development of new products, the Company's belief that it will improve its development cycle, the Company's anticipation that it can achieve its business plan through a combination of internally generated funds and short-term and/or long-term borrowing, the Company's belief that a large percentage of customer credit defaults is unlikely, and the Company's belief that its continuing Year 2000 assessment will decrease the risk of impact on the Company due to the Year 2000 issue. While the Company believes that such statements are accurate, the Company's business is dependent upon general economic conditions, particularly those that affect the demand for its products, including increased competition, and future trends and results which cannot be predicted with certainty. The Company's actual results could differ materially from those discussed in such forward looking statements. The cautionary statements made in this report should be read as being applicable to all related forward-looking statements wherever they appear in this report. Factors that could cause or contribute to such differences include those discussed below in the section entitled "Factors that may Affect Future Results." Please see a detailed list of the risk factors that are outlined in the Company's Form 10-KSB for the fiscal year ended June 30, 1999, incorporated herein by reference.

Factors that may Affect Future Results

Competition - Rapid Technological Change

The broadcast, conferencing and other product markets are highly competitive and characterized by rapid technological change. The Company's future performance will depend in large part upon its ability to remain competitive and to develop and market new products and services in these markets. The Company competes with businesses having substantial financial, research and development, manufacturing, marketing and other resources.

The markets in which the Company competes have historically involved the introduction of new and technologically advanced products and services that cost less or perform better. If the Company is not competitive in its research and development efforts, its products may become obsolete or be priced above competitive levels.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - (CONTINUED)

Factors that may Affect Future Results - (continued)

Although management believes that based on their performance and price, its products are attractive to customers, there can be no assurance that competitors will not introduce comparable or technologically superior products, which are priced more favorably than the Company's products.

Marketing

The Company has experience in marketing its products. However, it is subject to all of the risks inherent in the sale and marketing of current and new products and services in an evolving marketplace. The Company must effectively allocate its resources to the marketing and sale of these products through diverse channels of distribution. The Company's current strategy is to establish distribution channels and direct selling efforts in markets where it believes there is a growing need for its products and services. There can be no assurance that this strategy will prove successful.

Dependence on Distribution Network

The Company markets its products primarily through a network of representatives, dealers and master distributors. All of the Company's agreements retaining such representatives and dealers are non-exclusive and terminable at will by either party. Although the Company believes that its relationships with such representatives and dealers are good, there can be no assurance that any of such representatives or dealers will continue to offer the Company's products.

Price discounts are based on performance. However, there are no obligations on the part of such representatives and dealers to provide any specified level of support to the Company's products or to devote any specific time, resources or efforts to the marketing of the Company's products. There are no prohibitions on dealers offering products that are competitive with those of the Company. Most dealers do offer competitive products. The Company reserves the right to maintain house accounts, which are for products sold direct. The loss of a majority or all representatives or dealers could have a material adverse effect on the Company's business.

Limited Capitalization

As of September 30, 1999, the Company had $4,228,128 in cash and $7,814,072 in working capital. The Company may be required to seek additional financing if anticipated levels of revenue are not realized, if higher than anticipated costs are incurred in the development, manufacture or marketing of the Company's products, or if product demand exceeds expected levels. There can be no assurance that any additional financing thereby necessitated will be available on acceptable terms, or at all.

In addition, the Company's revolving $5 million line of credit matures in December of 2000 and there can be no assurance that the Company will be able to extend the maturity date of the line of credit or obtain a replacement line of credit from another commercial institution. The Company had no outstanding balance payable on the line of credit as of September 30, 1999. To the extent the line of credit is not extended or replaced and cash from operations is unavailable to pay the indebtedness then outstanding under the line of credit, the Company may be required to seek additional financing.

Telecommunications and Information Systems (Network)

The Company is highly reliant on its network equipment, data and software to support all functions of the Company. The Company's conference calling service relies 100% on the network for its revenues. While the Company endeavors to provide for failures in the network by providing back up systems and procedures, there is no guarantee that these back up systems and procedures will operate satisfactorily in an emergency. Should the Company experience such a failure, it could seriously jeopardize its ability to continue operations. In particular, should the Company's conference calling service experience even a short term interruption of its network, its ongoing customers may choose a different provider.

Dependence Upon Key Employees

The Company is substantially dependent upon certain of its employees, including Frances M. Flood, a Director, President and Chief Executive Officer and a stockholder of the Company. The loss of Ms. Flood by the Company could have a material adverse effect on the Company. The Company currently has in place a key person life insurance policy on the life of Ms. Flood in the amount of $3,000,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - (CONTINUED)

Factors that may Affect Future Results - (continued)

Dependence on Supplier and Single Source of Supply

The Company has a written agreement with only one of its suppliers. Furthermore, certain digital microprocessor chips used in connection with the Company's products can only be obtained from a single manufacturer and the Company is dependent upon the ability of this manufacturer to deliver such chips to the Company's suppliers so that they can meet the Company's delivery schedules. The Company does not have a written commitment from such suppliers to fulfill the Company's future requirements. The Company's suppliers maintain an inventory of such chips, but there can be no assurance that such chips will always be readily available, available at reasonable prices, available in sufficient quantities, or deliverable in a timely fashion. If such chips or other key components become unavailable, it is likely that the Company will experience delays, which could be significant, in production and delivery of its products unless and until the Company can otherwise procure the required component or components at competitive prices, if at all. The lack of availability of these components could have a materially adverse effect on the Company.

Although the Company believes that most of the key components required for the production of its products are currently available in sufficient production quantities, there can be no assurance that they will remain available. Furthermore, suppliers of some of these components are currently or may become competitors of the Company, which might also affect the availability of key components to the Company. It is possible that other components required in the future may necessitate custom fabrication in accordance with specifications developed or to be developed by the Company. Also, in the event the Company or any of the manufacturers whose products the Company expects to utilize in the manufacture of its products, is unable to develop or acquire components in a timely fashion, the Company's ability to achieve production yields, revenues and net income will be adversely affected.

Lack of Patent Protection

The Company currently relies on a combination of trade secret and nondisclosure agreements to establish and protect its proprietary rights in its products. There can be no assurance that others will not independently develop similar technologies, or duplicate or design around aspects of the Company's technology. The Company believes that its products and other proprietary rights do not infringe any proprietary rights of third parties. There can be no assurance, however, that third parties will not assert infringement claims in the future.

Government Funding and Regulation

In the conferencing market, the Company is dependent on government funding to place its distance learning sales and courtroom equipment sales. In the event government funding was stopped, these sales would be negatively impacted. Additionally, many of the Company's products are subject to governmental regulations. New regulations could significantly impact sales.

Dividends Unlikely

The Company has never paid cash dividends on its securities and does not intend to declare or pay cash dividends in the foreseeable future. Earnings are expected to be retained to finance and expand its business. Furthermore, the Company's revolving line of credit prohibits the payment of dividends on its Common Stock.

Potential Dilutive Effect of Outstanding Options and Possible Negative Effect of Future Financing

The Company has outstanding options issued under the Company's 1990 Incentive Plan and the 1998 Stock Option Plan, which includes options to purchase up to 1,900,000 shares of Common Stock granted or available for grant. Holders of these options are given an opportunity to profit from a rise in the market price of the Company's Common Stock with a resulting dilution in the interests of the other stockholders. The holders of the options may exercise them at a time when the Company might be able to obtain additional capital through a new offering of securities on terms more favorable than those provided therein.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - (CONTINUED)

Factors that may Affect Future Results - (continued)

Possible Control by Officers and Directors

The officers and directors of the Company together had beneficial ownership of approximately 27.2% of the Common Stock (including options that are currently exercisable or exercisable within sixty (60) days) of the Company as of September 1, 1999. This significant holding in the aggregate place the officers and directors in a position, when acting together, to effectively control the Company (see "Security Ownership of Certain Beneficial Owners and Management").

Collectability of Outstanding Receivables

The Company grants credit without requiring collateral to substantially all of its customers. Although the possibility of a large percentage of customers defaulting exists, the Company considers this scenario to be highly unlikely. The current default rate is less than 0.2%.

Year 2000

The Company has assessed the impact of the Year 2000 issue* on its information technology ("IT") and non-IT systems. Approximately $53,000 was incurred during fiscal 1999 to upgrade existing systems so that they are Year 2000 compatible. To date, the Company has identified two of its systems and some personal computers that have been upgraded. There were no significant interruptions to the business caused by the upgrade process. The Company financed the upgrades with operating income.

The Company purchased the software and hardware to upgrade its internal phone system, including the voice mail system. The system was upgraded during fiscal 1999, and associates were trained how to use the new system. The cost of this software and hardware was approximately $50,000. The Company also upgraded its conference calling bridge. This system is essential to the Company's conference calling service. The manufacturer furnished the software to the Company at no cost, and internal costs during the upgrade process were minimal. The personal computers were upgraded by the end of April of 1999, at a cost of approximately $3,500.

The Company is in the process of determining through direct contacts whether its material vendors and suppliers, and its larger customers are Year 2000 compliant. To date, no major customer or supplier that the Company contacted has stated any Year 2000 compliance problems that would significantly impact the operations of the Company.

At the present time, the Company believes that a reasonably likely worst case scenario involving a Year 2000 event would be in a non-IT system affecting the Company's manufacturing process. Such an event could result in the suspension of the affected portion of the manufacturing process until such a problem is corrected. However, the Company believes that as it continues its Year 2000 assessment the risk of such an event will decrease.

The Company has developed contingency plans for dealing with Year 2000 issues, including the worst case scenario just described. Those plans are in place.

The Company has performed a Year 2000 compliance review of its product line. To date, the Company has addressed all existing Year 2000 compliance issues on products.

The costs of the projects and the dates on which the Company believes it will complete the Year 2000 upgrades are based on management's best estimates at this time, which were derived utilizing numerous assumptions of future events, including the continued availability of certain resources and other factors. However, there can be no guarantees that these estimates will be achieved, that personnel trained in this area will be available at a reasonable cost, or that we will locate and correct all relevant computer codes and similar uncertainties.

* The "Year 2000 Issue" has arisen because many computer programs were written using only the last two digits to refer to a year (i.e. "98" for 1998). Therefore, these computer programs may not properly recognize the year 2000. If not corrected, many computer applications could fail or create erroneous results.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

Exhibits Required by Item 601 of Regulation S-B

The following exhibits are hereby incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1989. The exhibit numbers shown are those in the 1989 Form 10-K as originally filed.

EXHIBIT NUMBER	DESCRIPTION
3.1(1,2)	Articles of Incorporation and all amendments thereto through March 1, 1988. (Page 10)
10.4(1,2)	VRC-1000 Purchase Agreement between Gentner Engineering Company, Inc. (a former subsidiary of the Company which was merged into the Company) and Gentner Research Ltd., dated January 1, 1987. (Page 71)

The following exhibits are hereby incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1991. The exhibit numbers shown are those in the 1991 Form 10-K as originally filed.

EXHIBIT NUMBER	DESCRIPTION
3.1(1,2)	Amendment to Articles of Incorporation, dated July 1, 1991. (Page 65)
10.1(1,2)	Internal Modem Purchase Agreement between Gentner Engineering Company, Inc. and Gentner Research, Ltd., dated October 12, 1987. (Page 69)
10.2(1,2)	Digital Hybrid Purchase Agreement between Gentner Engineering, Inc. and Gentner Research, Ltd., dated September 8, 1988. (Page 74)

The following documents are hereby incorporated by reference from the Company's Form 10-KSB for the fiscal year ended June 30, 1993. The exhibit numbers shown are those in the 1993 Form 10-KSB as originally filed.

EXHIBIT NUMBER	DESCRIPTION
3(1,2)	Bylaws, as amended on August 24, 1993. (Page 16)

The following documents are hereby incorporated by reference from the Company's Form 10-KSB for the fiscal year ended June 30, 1996. The exhibit numbers shown are those in the 1996 Form 10-KSB as originally filed.

EXHIBIT NUMBER	DESCRIPTION
10(1,2,3)	1990 Incentive Plan, as amended August 7, 1996 (Page 40)

The following documents are hereby incorporated by reference from the Company's Form 10-KSB for the fiscal year ended June 30, 1997. The exhibit numbers shown are those in the 1997 Form 10-KSB as originally filed.

EXHIBIT NUMBER	DESCRIPTION
10.1(1,2)	Commercial Credit and Security Agreement, and Promissory Note, between Company and First Security Bank, N.A. (original aggregate amount of $2,500,000) (Page 7)
10.2(1,2,3)	1997 Employee Stock Purchase Plan (Page 37)
10.3(1,2)	Promissory Note in favor of Safeco Credit Company ($419,000) (Page 52)
10.4(1,2)	Commercial Credit and Security Agreement, and Promissory Note, between Company and First Security Bank ($322,716.55) (Page 53)
10.5(1,2)	Lease between Company and Valley American Investment Company (Page 71)

The following documents are hereby incorporated by reference from the Company's Form 10-KSB for the fiscal year ended June 30, 1998. The exhibit numbers shown are those in the 1998 Form 10-KSB as originally filed.

EXHIBIT NUMBER	DESCRIPTION
10.1(3)	1998 Stock Option Plan and Form of Grant
10.2	Modification Agreement dated as of December 24, 1997, between First Security Bank, N.A. and the Company

The following documents are hereby incorporated by reference from the Company's Form 10-QSB for the fiscal quarter ended December 31, 1998. The exhibit numbers shown are those in the Form 10-QSB as originally filed.

EXHIBIT NUMBER	DESCRIPTION
10	Promissory Note, Loan Agreement, and Commercial Security Agreement between Company and Bank One, Utah, N.A. dated as of January 5, 1999 (original aggregate amount of $5,000,000) (Page 15)

The following documents are filed as exhibits to this Form 10-QSB.

EXHIBIT NUMBER	DESCRIPTION
27	Financial Data Schedule

1 Denotes exhibits specifically incorporated into this Form 10-KSB by reference to other filings pursuant to the provisions of Rule 12B-32 under the Securities Exchange Act of 1934.

2 Denotes exhibits specifically incorporated into this Form 10-KSB by reference, pursuant to Regulation S-B, Item 10(f)(2). These documents are located under File No. 0-17219 and are located at the Securities and Exchange Commission, Public Reference Branch, 450 South 5th St., N.W., Washington, DC 20549.

3 Identifies management or compensatory plans, contracts or arrangements.

(b) Reports on Form 8-K

The Company filed no reports on Form 8-K during the latest fiscal quarter.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENTNER COMMUNICATIONS CORPORATION

/s/ Susie Strohm

Susie Strohm
Vice President, Finance

Date: November 12, 1999

EXHIBIT INDEX

3-MOS
JUN-30-2000
SEP-30-1999
4,228,128
0
3,058,956
(261,565)
2,813,408
10,266,481
6,335,814
(4,141,961)
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0.12