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

FORM 10-Q

(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 2000

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.)

Indicate by 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

Indicate 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	February 12, 2001
$0.001 par value	8,609,898 shares

GENTNER COMMUNICATIONS CORPORATION

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PART II - OTHER INFORMATION

GENTNER COMMUNICATIONS CORPORATION

CONSOLIDATED BALANCE SHEETS

	(Unaudited) December 31, 2000	(Audited) June 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,727,589	$ 5,374,996
Accounts receivable	5,123,708	4,153,677
Inventory	4,999,548	3,484,992
Income tax receivable	--	987,912
Deferred taxes	136,000	136,000
Other current assets	1,308,794	678,744
Total current assets	17,295,639	14,816,321
Property and equipment, net	3,339,184	3,050,349
Related party note receivable	30,834	52,488
Goodwill, net	2,727,794	--
Other assets, net	260,622	1,373
Total assets	$ 23,654,073	$ 17,920,531
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 775,934	$ 767,095
Accrued compensation and other benefits	569,899	694,219
Income tax payable	355,312	--
Other accrued expenses	1,403,063	1,045,607
Current portion of capital lease obligations	231,074	249,859
Total current liabilities	3,335,282	2,756,780
Capital lease obligations	96,451	205,530
Deferred tax liability	205,000	205,000
Total liabilities	3,636,733	3,167,310
Shareholders' equity:		
Common stock, 50,000,000 shares authorized, par value $.001, 8,594,384 and 8,427,145 shares issued and outstanding at December 31, 2000 and June 30, 2000, respectively	8,594	8,427
Additional paid-in capital	8,889,621	6,697,090
Retained earnings	11,117,244	8,047,704
Cumulative foreign currency translation adjustments	1,881	--
Total shareholders' equity	20,017,340	14,753,221
Total liabilities and shareholders' equity	$ 23,654,073	$ 17,920,531

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

	(Unaudited) Three Months Ended December 31,			
	2000		1999	
Product sales	$ 7,771,500	73.2%	$ 6,114,738	82.5%
Service sales	2,840,248	26.8%	1,301,101	17.5%
Total net sales	10,611,748	100.0%	7,415,839	100.0%
Cost of goods sold - products	2,838,723	36.5%	2,262,365	37.0%
Cost of goods sold - services	1,413,673	49.8%	696,304	53.5%
Total cost of goods sold	4,252,396	40.1%	2,958,669	39.9%
Gross profit	6,359,352	59.9%	4,457,170	60.1%
Operating expenses:				
Marketing and selling	1,987,507	18.7%	1,564,876	21.1%
General and administrative	1,405,979	13.2%	750,392	10.1%
Product development	591,506	5.6%	495,912	6.7%
Total operating expenses	3,984,992	37.5%	2,811,180	37.9%
Operating income	2,374,360	22.4%	1,645,990	22.2%
Other income (expense):				
Interest income	104,340	1.0%	55,361	0.7%
Interest expense	(10,761)	(0.1)%	(17,411)	(0.2)%
Other, net	14,598	0.1%	(6,174)	(0.1)%
Gain on foreign currency transactions	10,550	0.1%	--	0.0%
Total other income (expense)	118,727	1.1%	31,776	0.4%
Income before income taxes	2,493,087	23.5%	1,677,766	22.6%
Provision for income taxes	953,225	9.0%	626,000	8.4%
Net income	$ 1,539,862	14.5%	$ 1,051,766	14.2%
Basic earnings per common share	$ 0.18		$ 0.13	
Diluted earnings per common share	$ 0.17		$ 0.12	

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

	(Unaudited) Six Months Ended December 31, 2000		1999	
Product sales	$15,578,128	75.5%	$12,122,283	83.6%
Service sales	5,063,078	24.5%	2,377,829	16.4%
Total net sales	20,641,206	100.0%	14,500,112	100.0%
Cost of goods sold - products	5,692,138	36.5%	4,363,690	36.0%
Cost of goods sold - services	2,587,081	51.1%	1,310,597	55.1%
Total cost of goods sold	8,279,219	40.1%	5,674,287	39.1%
Gross profit	12,361,987	59.9%	8,825,825	60.9%
Operating expenses:				
Marketing and selling	3,995,331	19.4%	3,036,772	20.9%
General and administrative	2,497,053	12.1%	1,497,013	10.3%
Product development	1,119,644	5.4%	956,588	6.6%
Total operating expenses	7,612,028	36.9%	5,490,373	37.9%
Operating income	4,749,959	23.0%	3,335,452	23.0%
Other income (expense):				
Interest income	178,232	0.9%	101,129	0.7%
Interest expense	(23,434)	(0.1)%	(35,961)	(0.2)%
Other, net	17,458	0.1%	(1,458)	0.0%
Gain on foreign currency transactions	10,550	0.1%	--	0.0%
Total other income (expense)	182,806	0.9%	63,710	0.4%
Income before income taxes	4,932,765	23.9%	3,399,162	23.4%
Provision for income taxes	1,863,225	9.0%	1,267,000	8.7%
Net income	$ 3,069,540	14.9%	$ 2,132,162	14.7%
Basic earnings per common share	$ 0.36		$ 0.26	
Diluted earnings per common share	$ 0.34		$ 0.24	

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	(Unaudited) Six Months Ended December 31, 2000	1999
Cash flows from operating activities:		
Net income	$ 3,069,540	$ 2,132,162
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	501,033	362,954
Amortization of other assets	134,062	7,508
Changes in operating assets and liabilities:		
Accounts receivable	(970,031)	(932,610)
Inventory	(1,215,470)	(43,104)
Other current assets	(608,426)	(340,182)
Accounts payable and other accrued expenses	1,585,199	(565,407)
Other	1,881	--
Net cash provided by operating activities	2,497,788	621,321
Cash flows from investing activities:		
Purchases of property and equipment	(473,586)	(429,403)
Purchase of business	(1,758,085)	--
Repayment of note receivable	21,654	21,339
Net cash used in investing activities	(2,210,017)	(408,064)
Cash flows from financing activities:		
Proceeds from issuance of common stock	10,718	41,746
Exercise of employee stock options	181,967	100,941
Principal payments on capital lease obligations	(127,863)	(105,038)
Net cash provided by financing activities	64,822	37,649
Net increase in cash	352,593	250,906
Cash at the beginning of the year	5,374,996	3,922,183
Cash at the end of the period	$ 5,727,589	$ 4,173,089
Supplemental disclosure of cash flow information:		
Income taxes paid	$(1,280,000)	$(1,541,000)
Interest paid	$ (23,435)	$ (35,768)
Consideration paid in stock for purchase of business	$(2,000,013)	$ --

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000
(Unaudited)

1. Basis of Presentation

During October 2000, the Company established Gentner Communications EuMEA GmbH, a wholly owned subsidiary headquartered in Nuremberg, Germany. The subsidiary began operations during December 2000. Gentner EuMEA will focus on distribution, technical support, and training in Europe, the Middle East and northern Africa. The subsidiary conducts its sales and prepares its financial statements in German Deutsche Marks.

Beginning the second quarter of fiscal 2001, the Company will provide consolidated financial statements, and all intercompany transactions will be eliminated.

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-Q of Regulation S-K. 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 2000 Annual Report on 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 December 31, 2000	Three months ended December 31, 1999
Numerator:		
Net income	$ 1,539,862	$ 1,051,766
Denominator:		
Denominator for basic net income per share - weighted average shares	8,579,626	8,218,818
Effect of dilutive securities using treasury stock method	447,470	571,762
	9,027,096	8,790,580
Net income per share - basic	$ 0.18	$ 0.13
Net income per share - dilutive	$ 0.17	$ 0.12

	Six months ended December 31, 2000	Six months ended December 31, 1999
Numerator:		
Net income	$ 3,069,540	$ 2,132,162
Denominator:		
Denominator for basic net income per share - weighted average shares	8,567,730	8,195,398
Effect of dilutive securities using treasury stock method	461,887	519,286
	9,029,617	8,714,684
Net income per share - basic	$ 0.36	$ 0.26
Net income per share - dilutive	$ 0.34	$ 0.24

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 six-month periods ended December 31, 2000 and 1999 was $3,071,421 and $2,132,162, respectively.

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) December 31, 2000	(Audited) June 30, 2000
Raw Materials	$ 2,798,400	$ 1,559,210
Work in progress	626,354	437,112
Finished Goods	1,574,794	1,488,670
Total inventory	$ 4,999,548	$ 3,484,992

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, 2000	1,508,548	$ 7.01
Options granted	106,000	$ 13.58
Options exercised	(5,650)	$ 2.66
Options expired & canceled	(44,250)	$ 9.02
Options outstanding as of September 30, 2000	1,564,648	$ 7.42
Options granted	360,000	$ 12.61
Options exercised	(31,050)	$ 5.38
Options expired & canceled	(3,000)	$ 2.66
Options outstanding as of December 31, 2000	1,890,598	$ 8.45

7. Purchase of Business

In May 2000, the Company entered into an agreement to purchase substantially all of the assets of ClearOne, Inc. ("ClearOne") for $3.4 million plus approximately $300,000 in inventory, with a combination of cash and restricted stock. Under the terms of the agreement, the Company issued 129,871 shares of common stock valued at $15.40 and cash of $1,758,085. Goodwill resulting from the difference between the purchase price plus acquisition costs and the net assets acquired, including a non-compete agreement of $240,000, totaled approximately $2.8 million and is being amortized on a straight-line basis over fifteen years. Gentner assumed the lease agreement on ClearOne office space in Woburn, Massachusetts beginning in July 2000. The base monthly rent for this office space is approximately $3,300 monthly. ClearOne was a privately held developer and manufacturer of multimedia group communications products. On July 5, 2000, the acquisition was consummated and was accounted for under the purchase method of accounting.

7. Purchase of Business - (continued)

The following pro forma combined financial information reflects operations as if the acquisition of ClearOne had occurred as of July 1, 1999. The pro forma combined financial information is presented for illustrative purposes only, does not purport to be indicative of the Company's results of operations as of the date hereof and is not indicative necessarily of what the Company's actual results of operations would have been had the acquisition been consummated on such date.

	Three months ended December 31, 2000	Three months ended December 31, 1999
Net revenue	$10,611,748	$ 7,385,700
Net income	$ 1,539,862	$ 779,793
Net income per share - basic	$ 0.18	$ 0.09
Net income per share - dilutive	$ 0.17	$ 0.09

	Six months ended December 31, 2000	Six months ended December 31, 1999
Net revenue	$20,641,206	$14,878,570
Net income	$ 3,069,540	$ 1,919,126
Net income per share - basic	$ 0.36	$ 0.23
Net income per share - dilutive	$ 0.34	$ 0.22

8. Segment Reporting

The Company reports four different segments - Remote Facilities Management (RFM)/Broadcast, Conferencing Products, Conferencing Services and Other. The RFM/Broadcast segment consists of remote site control products that 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 and TV airwaves to millions of listeners. The Conferencing Products segment consists of a full line of room system conferencing products including installed and portable 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 included within the Company's Form 10-KSB for the year ended June 30, 2000. 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 meet different customer needs. They are managed separately because each segment requires focus and attention on their market and distribution channel.

8. Segment Reporting - (continued)

The following table summarizes the segment information:

	RFM/ Broadcast	Conferencing Products	Conferencing Services	All Other	Company Totals
Quarter Ended December 31, 2000:					
Net sales	$ 1,867,268	$ 5,889,955	$ 2,799,390	$ 55,135	$ 10,611,748
Cost of goods sold	687,318	2,155,019	1,377,108	32,951	4,252,396
Gross profit	1,179,950	3,734,936	1,422,282	22,184	6,359,352
Marketing and selling	155,938	1,242,553	587,760	1,256	1,987,507
Product development	65,154	526,352			591,506
General and administrative					1,405,979
Total operating expenses					3,984,992
Operating profit					2,374,360
Other income (expense)					118,727
Income before income taxes					2,493,087
Provision for income taxes					(953,225)
Net income					$ 1,539,862
Quarter Ended December 31, 1999:					
Net sales	$ 1,799,641	$ 4,281,404	$ 1,256,757	$ 78,037	$ 7,415,839
Cost of goods sold	758,900	1,493,633	678,211	27,925	2,958,669
Gross profit	1,040,741	2,787,771	578,546	50,112	4,457,170
Marketing and selling	311,472	872,373	380,013	1,018	1,564,876
Product development	253,989	241,923			495,912
General and administrative					750,392
Total operating expenses					2,811,180
Operating profit					1,645,990
Other income (expense)					31,776
Income before income taxes					1,677,766
Provision for income taxes					(626,000)
Net income					$ 1,051,766

	RFM/ Broadcast	Conferencing Products	Conferencing Services	All Other	Company Totals
Year-to-Date At December 31, 2000:					
Net sales	$ 3,694,494	$ 11,796,769	$ 4,954,663	$ 195,280	$ 20,641,206
Cost of goods sold	1,477,370	4,233,466	2,506,517	61,866	8,279,219
Gross profit	2,217,124	7,563,303	2,448,146	133,414	12,361,987
Marketing and selling	326,865	2,423,711	1,242,551	2,204	3,995,331
Product development	147,843	971,801			1,119,644
General and administrative					2,497,053
Total operating expenses					7,612,028
Operating profit					4,749,959
Other income (expense)					182,806
Income before income taxes					4,932,765

Provision for income taxes	(1,863,225)
Net income	$ 3,069,540

8. Segment Reporting - (continued)

Year-to-Date At December 31, 1999:

Net sales	$ 3,858,172	$ 8,176,749	$ 2,254,341	$ 210,850	$ 14,500,112
Cost of goods sold	1,523,901	2,804,807	1,272,350	73,229	5,674,287
Gross profit	2,334,271	5,371,942	981,991	137,621	8,825,825
Marketing and selling	642,862	1,697,187	694,132	2,591	3,036,772
Product development	509,672	446,916			956,588
General and administrative					1,497,013
Total operating expenses					5,490,373
Operating profit					3,335,452
Other income (expense)					63,710
Income before income taxes					3,399,162
Provision for income taxes					(1,267,000)
Net income					$ 2,132,162

Item 2. Management's Discussion and Analysis of Plan of Operation

General

The Company develops, manufactures, markets, and distributes products and services for the broadcast and conferencing markets. The Company reports four different segments - Remote Facilities Management (RFM)/Broadcast, Conferencing Products, Conferencing Services and Other. The Company has applied its core digital technology to the development of products for small, medium and large conferencing venues, as well as assistive listening markets.

Results of Operations

Sales for the three-month period ended December 31, 2000 increased 43 percent to $10.6 million from $7.4 million compared the same three-month period ended December 31, 1999. For the six-month period ended December 31, 2000, sales increased 42 percent to $20.6 million from $14.5 million compared to the same six-month period ended December 31, 1999. This increase is mainly due to the strong growth in sales of conferencing products and conferencing services, as discussed below.

Conferencing Products experienced a 37 percent sales growth when comparing the second quarter of fiscal 2001 to the same quarter of fiscal 2000, from $4.3 million to $5.9 million. Sales in Conferencing Products increased 44 percent, from $8.2 million to $11.8 million, comparing the first six months of this fiscal year to the first six months of last fiscal year. This increase was mainly due to the continued success of the Audio Perfect(R) product line, as well as the introduction of new products, including the APV200 IP and the GT1524. The Audio Perfect(R) product line began shipping in April of 1998 with the AP800, and also includes the AP10, the AP400, AP Tools, the AP IR Remote, and the APV200 IP. The Company has realized more of the revenue associated with a room installation as a result of the expanded applications. During the third quarter of fiscal 2000, the Company started shipping the PA870 power amplifier. During the second quarter of fiscal 2001, the Company began shipping the PSR1212 digital matrix mixer.

Conferencing Services, the conference calling portion of which is known as 1-800 LETS MEET(R), experienced sales growth of 123 percent in the second quarter of this fiscal year as compared to the same quarter of last fiscal year. Revenues for the second quarter of fiscal 2001 were $2.8 million compared to $ 1.3 million for the same quarter of fiscal 2000. Conferencing Services increased 120 percent for this fiscal year-to-date as compared to the same period in fiscal 2000. Revenues for the first six months of fiscal 2001 were $5.0 million compared to $2.3 million for the first six months of fiscal 2000. Over the past year, the Company has expanded its service offerings to include on-demand, reservationless conference calling, and Webconferencing. The Company attributes this growth in sales to an increased customer base due in part to the Company's increase in sales staff for marketing conference calling services as well as the overall market growth over the last year for such services. 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/Broadcast sales increased four percent in the second quarter of this fiscal year to $1.9 million from $1.8 million in the same quarter of last fiscal year. RFM/Broadcast sales decreased four percent in the first six months of fiscal 2001 to $3.7 million from $3.9 million in the same period of last fiscal year. RFM/Broadcast consists of two product lines, Telephone Interface and Remote Facilities Management (RFM, formerly known as Remote Site Control). Sales of the Telephone Interface line decreased 25 percent during the second quarter of this fiscal year compared to the same quarter of last year and decreased 13 percent during the first six months of this fiscal year compared to the same period of last fiscal year. Telephone hybrids are used to connect telephone line audio to professional audio equipment. RFM increased 70 percent in the second quarter of this fiscal year when compared to the same quarter last year and increased 10 percent in the first six months of this fiscal year when compared to the same period of last fiscal year, mainly due to increased sales of the GSC3000 during second quarter of fiscal 2001. Also contributing to this increase is sales of the VRC2500, which began shipping in the first quarter of fiscal 2001.

Other sales decreased 29 percent in the second quarter of this fiscal year compared to the same quarter of last fiscal year. Sales for the second quarter of fiscal 2001 were $55,135 compared to $78,037 for the same quarter of fiscal 2000. Other sales decreased seven percent for the first six months of this fiscal year compared to the same period of last fiscal year. Sales for the first six months of fiscal 2001 were $195,281 compared to $210,850 for the same period of fiscal 2000. In general, the Company is not promoting Other Products, and those sales are expected to continue to decrease.

The Company's gross profit margin percentage was 59.9 percent for the second quarter of fiscal 2001 and 60.1 percent for the same quarter last year. Gross profit margin percentage was 59.9 percent for the first six months of fiscal 2001 and 60.9 percent for the same six-month period last year. This decrease was primarily due to the increase in the pricing of select core components used in Company products and the increase in service revenues which generally have lower margins.

The Company believes that most of the key components required for the production of its products are currently available in sufficient quantities. The Company has experienced long component lead times in the past, but is starting to see moderating lead times on many products. Even though the Company has purchased more of these "longer-lead-time" parts to ensure continued delivery of products, reduction in these inventories will track the reduction of lead times with an undetermined lag time. The Company also continues to focus on locating other sources for raw materials and enhancing vendor relationships to further ensure adequate materials.

The Company's operating expenses increased 41.8 percent when comparing the second quarter of this fiscal year compared to the same quarter of last fiscal year and 38.7 percent when comparing the first six months of this fiscal year compared to the same period of last fiscal year. The most significant portion of these increases came in general and administrative expenses.

Marketing and selling expenses for the second quarter of fiscal 2001 increased 27 percent from the second quarter of last fiscal year, although expenses decreased as a percent of revenue from 21.1 percent in the second quarter of fiscal 2000 to 18.7 percent in the second quarter of fiscal 2001. Year-to-date marketing and selling expenses increased 32 percent compared to the same period last fiscal year, although expenses decreased from 20.9 percent for the first six months of fiscal 2000 to 19.4 percent for the same period of fiscal 2001 as a percent of revenue. The increase in dollars was primarily due to higher commission expense resulting from the increase in sales. Also contributing to the increase was shelving expenses with respect to the retail market.

Product development costs increased 19 percent in the second quarter of fiscal 2001 as compared to the second quarter of fiscal 2000, but decreased as a percent of revenue from 6.7 percent in the second quarter of fiscal 2000 to 5.6 percent in the second quarter of fiscal 2001. Year-to-date product development expenses increased 17 percent for the six months ended December 31, 2001 as compared to the same period of fiscal 2000, but decreased as a percent of revenue from 6.6 percent in the first six months of fiscal 2000 to 5.4 percent in the first six months of fiscal 2001. The increase in absolute dollars was primarily due to new product development and higher salary expenses.

General and administrative expenses increased 87 percent in the second quarter of fiscal 2001 as compared to the second quarter in the previous fiscal year, while expenses increased as a percent of revenue from 10.1 percent in the second quarter of fiscal 2000 to 13.2 percent in the second quarter of fiscal 2001. Year-to-date general and administrative expenses increased 67 percent in the first six months of fiscal 2001 as compared to the first six months of the previous fiscal year, while expenses increased as of percent of revenue from 10.3 percent in the first six months of fiscal 2000 to 12.1 percent in the first six months of fiscal 2001. This increase in absolute dollars was mainly due to a one-time bad debt write off of $398,453 with respect to a single customer who filed bankruptcy early in the quarter. Also associated with this increase were the costs incurred with hiring of personnel to support sales increases and the infrastructure costs associated with the hiring of such new personnel, as well as costs associated with the Company's Woburn, MA office and the amortization expense associated with the goodwill purchased in the ClearOne acquisition.

Interest income increased 88 percent when comparing the second quarter of fiscal 2001 to the second quarter of fiscal 2000. Interest income increased 76 percent when comparing the first six months of 2001 to the same period of fiscal 2000.

Interest expense decreased 38 percent when comparing the second quarter of fiscal 2001 to the second quarter of fiscal 2000. Interest expense decreased 35 percent when comparing the first six months of fiscal 2001 to the first six months of fiscal 2000 due to the maturing of certain of the Company's leases.

During the second quarter of fiscal 2001, income tax expense was calculated at a combined federal and state tax rate of 38.2 percent, resulting in a tax expense of $953,000, compared to 37.3 percent and $626,000 in the second quarter of fiscal 2000. Year-to-date income tax expense was calculated at a combined federal and state tax rate of 37.8 percent, resulting in a tax expense of $1,863,000, compared to 37.3 percent and $1,267,000 in the first six months of fiscal 2000.

Net income increased 46 percent the second quarter of this fiscal year as compared to the second quarter in the previous year. Net income increased 44 percent the first six months of this fiscal year as compared to the six months in the previous year.

Financial Condition and Liquidity

The Company had cash and cash equivalents of $5.7 million and $5.4 million at December 31, 2000 and June 30, 2000, respectively, an increase of $300,000. Net operating activities provided cash of $2.5 million in the first six months of fiscal 2001, primarily due to profitable operations and increased accrued liabilities, which were paid early in the third quarter of fiscal 2001, as well as increased amortization and depreciation expense which was offset by increased inventory as discussed above. Net investing activities used cash of $2.2 million primarily due to the purchase of the assets of ClearOne. Net cash provided by financing activities was $65,000.

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 variable (250 basis points over the London Interbank

Offered Rate (LIBOR) or prime less 0.25 percent, whichever the Company chooses). The borrowing rate was 9.25 percent at December 31, 2000. There was no outstanding balance on December 31, 2000. The line of credit was renewed as of December 22, 2000 and will expire on December 22, 2001. Borrowings under the line of credit are subject to certain financial and operating covenants. The Company was in compliance with the covenants at December 31, 2000.

Management believes that the Company's working capital, bank line of credit and cash flow from operating activities will be sufficient to meet the Company's operating and capital expenditures requirements for the next twelve months. In the longer term, or if the Company experiences a decline in revenue, or in the event of other unforeseen events, the Company may require additional funds and may seek to raise such funds through public or private equity or debt financing, bank lines of credit, or other sources. No assurance can be given that additional financing will be available or, if available will be on terms favorable to the Company. See "Factors that May Affect Future Results - Limited Capitalization."

Factors that May Affect Future Results

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended. Forward-looking statements relate to the Company's future plans, objectives, expectations, and intentions. These statements may be recognized by the use of words such as "believes," "expects," "may," "will," "intends," "plans," "should," "seeks," "anticipates," and similar expressions. In particular, statements regarding the Company's markets and market share, demand for its products and services, FCC actions, manufacturing capacity and component availability, and the development and introduction of new products and services are forward-looking statements and subject to material risks. Actual results could differ markedly from those projected in the forward-looking statements as a result of the factors set forth below and the matters set forth in the report generally, as well as the factors set forth in the Company's reports filed with the Securities and Exchange Commission including the Form 10-KSB filed for the year ended June 30, 2000. The Company cautions the reader, however, that this list of factors may not be exhaustive, particularly with respect to future factors. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made.

Rapid Technological Change

The RFM/Broadcast, conferencing products, conferencing services, 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 in a timely fashion that responds to customers' needs and incorporates new technology and standards.

The Company may not be able to design and manufacture products that address customer needs or achieve market acceptance. Any significant failure to design, manufacture, and successfully introduce new products could materially harm the Company's business.

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.

Although management believes that, based on their performance and price, its products are currently 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.

Competition

The markets for the Company's products and services are highly competitive. These markets include the Company's traditional dealer channel, the market for its conferencing services, and the retail channel. The Company competes with businesses having substantially greater financial, research and development, manufacturing, marketing, and other resources. If the Company fails to maintain or enhance its competitive position, it could experience pricing pressures and reduced sales, margin, profits, and market share, each of which could materially harm the Company.

Marketing

The Company is subject to the risks inherent in the marketing and sale 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. For example, with the acquisition of the ClearOne assets the Company has expanded its products to include the retail market. There can be no assurance that this strategy will prove successful.

Difficulties in Managing Growth

The Company is experiencing a period of significant expansion in personnel, facilities and infrastructure, and management anticipates that further expansion will be required to address potential growth in our customer base and market opportunities. This expansion will require continued application of management, operational and financial resources

To manage the expected growth of operations and personnel, the Company may need to improve its transaction processing, operational and financial systems, procedures and controls. The Company's current and planned personnel, systems, procedures and controls may not be adequate to support our future operations. Difficulties in managing this challenges could adversely affect the Company's financial performance.

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 or all such representatives or dealers will continue to offer the Company's products.

Price discounts to the Company's distribution market 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 directly to customers. The loss of representatives or dealers could have a material adverse effect on the Company's business.

Limited Capitalization

As of December 31, 2000, the Company had $5.7 million in cash and $14.0 million 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 $5 million revolving line of credit matures in December of 2001 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 December 31, 2000. To the extent the line of credit is not extended or replaced and cash from operations is insufficient to fund operations, the Company may be required to seek additional financing.

Telecommunications and Information Systems Network

The Company is highly reliant on its network equipment, telecommunications providers, data, and software, to support all functions of the Company. The Company's conference calling service relies 100 percent 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 or telecommunication providers, its ongoing customers may choose a different provider, and its reputation may be damaged, reducing its attractiveness to new customers.

Dependence on Supplier and Single Source of Supply

The Company does not typically have written contracts with any of its suppliers. Furthermore, certain electronic components used in connection with the Company's products can only be obtained from single manufacturers and the Company is dependent upon the ability of these manufacturers to deliver such components 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 components, but there can be no assurance that such components will always be readily available, available at reasonable prices, available in sufficient quantities, or deliverable in a timely fashion. If such 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.

The Company believes that most of the key components required for the production of its products are currently available in sufficient quantities. The Company has experienced long component lead times in the past, but is starting to see moderating lead times on many products. Even though the Company has purchased more of these "longer-lead-time" parts to ensure continued delivery of products, reduction in these inventories will track the reduction of lead times with an undetermined lag time. 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 may be adversely affected.

Software Risks

The Company has developed custom software for its products and has licensed additional software from third parties. This software may contain undetected errors, defects or bugs. Although we have not suffered significant harm from any errors or defects to date, we may discover significant errors or defects in the future that we may or may not be able to fix or fix in a timely or cost effective manner. The Company's inability to do so could harm its business.

Manufacturing Process Risks

While the Company has substantial experience in designing and manufacturing its products, the Company may still experience technical difficulties and delays with the manufacturing of our products. Potential difficulties in the design and manufacturing process that could be experienced by us include difficulty in meeting required specifications, difficulty in achieving necessary manufacturing efficiencies, and difficulties in obtaining materials on a timely basis.

Reliance on Efficiency of Distribution and Third Parties

The Company's financial performance is dependent in part on its ability to provide prompt, accurate, and complete services to customers on a timely and competitive basis. Delays in distribution in our day-to-day operations or material increases in our costs of procuring and delivering products could have an adverse effect on our results of operations. Any failure of either our computer operating systems, the Internet or our telephone system could adversely affect our ability to receive and process customers' orders and ship products on a timely basis. Strikes or other service interruptions affecting Federal Express Corporation, United Parcel Service of America, Inc., or other common carriers used by the Company to receive necessary components or other materials or to ship our products also could impair its ability to deliver products on a timely and cost-effective basis.

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. Such claims could divert management's attention and be expensive, regardless of their merit. The Company might be required to license third party technology or redesign its products, which may not be possible or economically feasible.

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 adversely 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 include options to purchase up to 1,900,000 shares of Common Stock granted or available for grant. As of December 31, 2000, the Plans have 1,890,598 options outstanding. 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.

Dependence Upon Key Employees

The Company is substantially dependent upon certain of its employees, including Frances M. Flood, President and Chief Executive Officer and a director and shareholder 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.

Possible Control by Officers and Directors

The officers and directors of the Company together had beneficial ownership of approximately 26.3 percent of the Company's Common Stock (including options that are currently exercisable or exercisable within sixty (60) days) as of February 1, 2001. This significant holding in the aggregate places the officers and directors in a position, when acting together, to effectively control the Company and could delay or prevent a change in control.

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 believes this scenario to be highly unlikely.

International Sales and Related Risks

International sales represent a significant portion of the Company's total revenue. For example, international sales represented 11 percent of the Company's total sales for the second quarter of fiscal 2001 and 12 percent for the first six months of fiscal 2001. If the Company is unable to maintain international market demand, its results of operations could be materially harmed. The Company's international business is subject to the financial and operating risks of conducting business internationally, including: unexpected changes in, or imposition of, legislative or regulatory requirements; fluctuating exchange rates, tariffs and other barriers; difficulties in staffing and managing foreign subsidiary operations; export restrictions; greater difficulties in accounts receivable collection and longer payment cycles; potentially adverse tax consequences; and potential hostilities and changes in diplomatic and trade relationships.

During October 2000, the Company established Gentner Communications EuMEA GmbH, a wholly owned subsidiary headquartered in Nuremberg, Germany. The subsidiary began operations during December 2000. Gentner EuMEA will focus on distribution, technical support, and training in Europe, the Middle East and northern Africa.

Except for sales by Gentner EuMEA, which are denominated in German Deutsche Marks, the Company's sales in the international market are denominated in U.S. Dollars. Consolidation of Gentner EuMEA's financial statements with those of the Company requires translation to U.S. Dollars. That translation is subject to exchange rate risks.

Integration of Acquired Business

The Company has dedicated and will continue to dedicate, substantial management resources in order to achieve the anticipated operating efficiencies from integrating ClearOne. Difficulties encountered in integrating ClearOne's operations could adversely impact the business, results of operations or financial condition of the Company. Also, the Company intends to pursue acquisition opportunities in the future. The integration of acquired businesses could require substantial management resources. There can be no assurance that any such integration will be accomplished without having a short or potentially long-term adverse impact on the business, results of operations or financial condition of the Company or that the benefits expected from any such integration will be fully realized.

New Accounting Pronouncements

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) 101, "Revenue Recognition in Financial Statements." The effective date of SAB 101 is the fourth quarter of fiscal years beginning after December 15, 1999. This SAB clarifies proper methods of revenue recognition given certain circumstances surrounding sales transactions. The Company continues to evaluate the impact of SAB 101, but believes it is in compliance with the provisions of the SAB and accordingly, does not expect SAB 101 to have a material effect on its financial statements.

In 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which was subsequently amended by SFAS No. 137 "Accounting for Derivative Financial Instruments and Hedging Activities - Deferral of the Effective Date of SFAS No. 133" and SFAS No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument, including certain derivative instruments embedded in other contracts, be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement also requires that changes in the derivative's fair value be recognized in earnings unless specific hedge accounting criteria are met. SFAS No. 133, as amended by SFAS No. 137 and SFAS No. 138, is effective for all fiscal years beginning after June 15, 2000. The Company does not expect the adoption of SFAS No. 133 to have a material impact on the Company's financial condition or results of operations.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

In 1997, the SEC issued new rules (Item 305 of Regulation S-K) which require disclosure of material risks as defined by Item 305, related to market risk sensitive financial instruments. As defined, the Company currently has only limited market risk sensitive instruments related to interest rates. The Company has outstanding capital leases of $329,000 at December 31, 2000.

The Company does not have significant exposure to changing interest rates on these capital leases because interest rates for the majority of the capital leases are fixed. The Company has not undertaken any additional actions to cover interest rate market risk and is not a party to any other interest rate market risk management activities.

A hypothetical 10 percent change in market interest rates over the next year would not impact the Company's earnings or cash flows as the interest rates on the majority of the capital leases are fixed.

The Company does not purchase or hold any derivative financial instruments for trading purposes.

PART II - OTHER INFORMATION

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

The only matters submitted by the Company to the shareholders occurred at the annual meeting of shareholders of the Company held on November 16, 2000. At the meeting, the shareholders acted to re-elect the then current directors of the Company, all to serve for one-year terms, as follows: Frances M. Flood, Edward Dallin Bagley, Brad R. Baldwin, Randall J. Wichinski, and David Wiener, with the following vote:

	For	Against	Abstain
Edward Dallin Bagley	6,130,816	26,682	0
Brad R. Baldwin	6,131,316	26,182	0
Frances M. Flood	6,131,316	26,182	0
Randall J. Wichinski	6,131,316	26,182	0
David Wiener	6,131,316	26,182	0

Additionally, Ernst & Young, LLP, certified public accountants, was affirmed at the meeting as the Company's independent certified accountants for the 2001 fiscal year with the following vote: 6,117,922 for, 25,760 against, and 13,816 abstain. There were no broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

EXHIBIT NUMBER	DESCRIPTION
3.1 1	Articles of Incorporation and all amendments thereto through March 1, 1988. (Page 10) (incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1989)
3.2 1	Amendment to Articles of Incorporation, dated July 1, 1991. (Page 65) (incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1991)
3.3 1	Bylaws, as amended on August 24, 1993. (Page 16) (incorporated by reference from the Company's Annual Report on Form 10-KSB for the fiscal year ended June 30, 1993)
10.8	Third Addendum to Lease between Company and Valley American Investment Company dated as of September 18, 2000.
10.9	Modification Agreement to Promissory Note, Loan Agreement, and Commercial Security Agreement between Company and Bank One, Utah, N.A. dated as of December 22, 2000 (original aggregate amount of $5,000,000)

1 Denotes exhibits specifically incorporated into this Form 10-Q by reference, pursuant to Regulation S-K, Item 10. 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.

(b) Reports on Form 8-K

There were no reports on Form 8-K filed during the period covered by this report.

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: February 12, 2001

THIRD ADDENDUM TO LEASE

This addendum is entered into this 18th day of September, 2000, by and between VALLEY AMERICAN INVESTMENT COMPANY, P.O. Box 186, Midvale, Utah 84047, as Landlord; and GENTNER COMMUNICATIONS CORPORATION, of 1825 West Research Way, West Valley City, UT 84199, as Tenant.

Whereas, both Tenant and Landlord have executed a uniform lease agreement dated the 26th day of February, 1996, a First Addendum to Lease dated the 31st day of January, 1997, and a Second Addendum to Lease dated the 2nd day of May, 1997. The size of Tenant's leased premises is 40,250 square feet. The current lease term shall expire on October 31, 2006.

Whereas, the purpose of this Third Addendum is to increase the size of the leased premises.

Whereas, Tenant is desirous of leasing an additional 11,510 square feet located at 1825 West Research Way, Suite 7 (the "Expansion Space"). Therefore, the total size of the leased premises shall be 51,760 square feet.

The term for this expansion space shall commence on September 1, 2000, and shall run co-terminously with the original lease, the First and Second Addendums, expiring on October 31, 2006.

In consideration of this Addendum, Landlord and Tenant agree as follows:

a. Tenant shall take space in its current, as is condition.

b. Landlord shall deliver possession of the expansion space to Tenant upon execution of this Addendum.

c. Tenant shall pay rent as follows:

ITEM	09/01/00- 10/31/00	11/01/00- 10/31/02	11/01/02- 10/31/04	11/01/04- 10/31/06
Base Rent Per Lease	22,258.00	24,039.00	25,912.00	28,039.00
1st Addendum Amortization	488.60	488.60	488.60	488.60
2nd Addendum Amortization	1,049.00	1,049.00	1,049.00	1,049.00
3rd Addendum Expansion	4,550.00	4,550.00	4,914.00	5,307.12
CAM Budget	4,775.00	4,775.00	4,775.00	4,775.00
Total Monthly Payment	33,120.60	34,901.60	37,138.60	39,658.72

d. Tenant and Landlord agree if the space located at 1825 West Research Way, Suite 6 (the "option space") ever becomes available during the lease term, Tenant must, at Landlord's discretion, lease this option space.

1. Tenant can lease the "option space" consisting of approximately 7,214 square feet. Rent for the "option space" shall be at the same rate as the current rent on the expansion space at the time Tenant takes possession of the "option space."

2. If Tenant does not want the "option space" described above, Tenant must give up the "front office" space and "rear loading" space (as shown on the attached Exhibit "A") to Landlord so that Landlord may have a "marketable" Suite #6. Tenant's rent and size shall then be reduced accordingly.

Except as modified by the provisions of this Addendum, all terms, conditions and provisions of the Lease shall remain unchanged and in full force and effect.

Executed by the parties on the day and year first written above in Salt Lake City, Utah.

LANDLORD:	VALLEY AMERICAN INVESTMENT
	/s/William C. Roderick -- William C. Roderick Vice President
TENANT:	GENTNER COMMUNICATIONS CORPORATION
	/s/Susie Strohm -- By: Susie Strohm Its: Chief Financial Officer

STATE OF UTAH)
County of Salt Lake)

On the 22nd day of September, 2000, personally appeared before me WILLIAM C. RODERICK, the signer of the foregoing lease addendum who duly acknowledged to me that he executed the same.

/s/
- --
NOTARY PUBLIC

STATE OF UTAH)
County of Salt Lake)

On the 18th day of September, 2000, personally appeared before me Susie Strohm, the signer of the foregoing lease addendum who duly acknowledged to me that he/she executed the same.

/s/
- --
NOTARY PUBLIC

MODIFICATION AGREEMENT

DATE: December 22, 2000

PARTIES: Borrower GENTNER COMMUNICATIONS CORPOATION, a Utah corporation

Bank: BANK ONE, UTAH, NA, a national banking association

RECITALS:

A. Bank has extended to Borrower credit ("Loan") in the principal amount of $5,000,000.00 pursuant to the Loan Agreement, dated January 5, 1999 ("Loan Agreement"), and evidenced by the Promissory Note, dated January 5, 1999 ("Note"). The unpaid principal of the Loan as of the date hereof is $-0-.

B. The Loan and/or guaranty of Loan is secured by, among other things, the Commercial Security Agreement, dated January 5, 1999, by Borrower, for the benefit of Bank (the agreements, documents, and instruments securing the Loan and the Note are referred to individually and collectively as the ("Security Documents").

C. Bank and Borrower have executed and delivered previously the following agreements ("Modifications") modifying the terms of the Loan, the Note, the Loan Agreement, and/or the Security Documents: Modification Agreement, dated June 9, 1999. (The Note, the Loan Agreement, the Security Documents, any arbitration resolution, and all other agreements, documents, and instruments evidencing, securing, or otherwise relating to the Loan, as modified in the Modifications, are sometimes referred to individually and collectively as the "Loan Documents". Hereinafter, "Note", "Loan Agreement", and "Security Documents" shall mean such documents as modified in the Modifications.)

D. Borrower has requested that Bank modify the Loan and the Loan Documents as provided herein. Bank is willing to so modify the Loan and the Loan Documents, subject to the terms and conditions herein.

AGREEMENT:

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Bank agree as follows:

1. ACCURACY OF RECITALS.

Borrower acknowledges the accuracy of the Recitals.

2. MODIFICATION OF LOAN DOCUMENTS.

2.1 The Loan Documents are modified as follows:

2.1.1 Interest on the Loan and the Note shall be due and payable commencing on February 1, 2001, and continuing on the same day of each successive month thereafter until the maturity date. No payments of principal of the Loan and the Note shall be due and payable until the maturity date.

2.1.2 The maturity date of the Loan and the Note is changed from December 22, 2000, to December 21, 2001. On the maturity date Borrower shall pay to Bank the unpaid principal, accrued and unpaid interest, and all other amounts payable by Borrower under the Loan Documents as modified herein.

2.1.3 The Section entitled "Additional Affirmative Covenant - Debt Service Coverage" of the Loan Agreement is modified to read in its entirety as follows:

Additional Affirmative Covenant - Debt Service Coverage. Borrower further covenants and agrees with Lender that, while this Agreement is in effect, Borrower will comply at all times with the following ratio. Maintain as of the end of each fiscal quarter, a ratio (a) net income, after taxes, plus interest, depreciation, amortization and depletion, less any Distributions, for the twelve month period then ending, to (b) interest plus current maturities of long-term debt plus current maturities of capital leases for the same such twelve month period, of not less than the following ratios for the following periods: for the period ending December 31, 2000, 1.4 to 1.0; for the period January 1, 2001 to termination of this Loan Agreement, 2.0 to 1.0.

2.1.4 The Section entitled "Affirmative Covenants. Compliance Certificate" of the Loan Agreement is modified to read in its entirety as follows:

Compliance Certificate. Unless waived in writing by Lender, provide Lender 45 days after each quarter with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, (a) certifiying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and that, as of the date of the certificate, no Event of Default exists under this Agreement, and (b) demonstrating compliance with all financial covenants set forth in this Agreement.

2.1.5 The Section entitled "Additional Provisions - Financial Statements" on the Addendum to Loan Agreement is modified to read in its entirety as follows:

Additional Provisions - Financial Statements. Furnish Lender with, as soon as available, but in no event later than ninety (90) days after the end of each fiscal year, Borrower's balance sheet, income statement, statement of changes in financial position, and 10K for the year ended, audited by certified public accountant(s) reasonably acceptable to Lender, and as soon as available, but in no event later than forty-five (45) days after the end of each fiscal quarter, Borrower's balance sheet, income statement, statement of changes in financial position, and 10Q for the period ended, prepared and certified, subject to year end review adjustments, as correct to the best knowledge and belief by Borrower's chief financial officer of other officer or person acceptable to Lender. All financial reports required to be provided under this Agreement shall be prepared in accordance with generally accepted accounting principals, applied on a consistent basis, and certified by Borrower as being true and correct.

2.2 Each of the Loan Documents is modified to provide that it shall be a default or an event of default thereunder if Borrower shall fail to comply with any of the covenants of Borrower herein or if any representation or warranty by Borrower herein is materially incomplete, incorrect, or misleading as of the date hereof.

2.3 Each reference in the Loan Documents to any of the Loan Documents shall be a reference to such document as modified herein.

3. RATIFICATION OF LOAN DOCUMENTS AND COLLATERAL.

The Loan Documents are ratified and affirmed by Borrower and shall remain in full force and effect as modified herein. Any property or rights to or interests in property granted as security in the Loan Documents shall remain as security for the Loan and the obligations of Borrower in the Loan Documents.

4. BORROWER REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants to Bank:

4.1 No default or event of default under any of the Loan Documents as modified herein, nor any event, that, with the giving of notice or the passage of time or both, would be a default or an event of default under the Loan Documents as modified herein has occurred and is continuing.

4.2 There has been no material adverse change in the financial condition of Borrower or any other person whose financial statement has been delivered to Bank in connection with the Loan from the most recent financial statement received by Bank.

4.3 Each and all representations and warranties of Borrower in the Loan Documents are accurate on the date hereof.

4.4 Borrower has no claims, counterclaims, defenses, or set-offs with respect to the Loan or the Loan Documents as modified herein.

4.5 The Loan Documents as modified herein are the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their terms.

4.6 Borrower is validly existing under the laws of the State of its formation or organization and has the requisite power and authority to execute and deliver this Agreement and to perform the Loan Documents as modified herein. The execution and delivery of this Agreement and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower. This Agreement has been duly executed and delivered on behalf of Borrower.

5. BORROWER COVENANTS.

Borrower covenants with Bank:

5.1 Borrower shall execute, deliver, and provide to Bank such additional agreements, documents, and instruments as reasonably required by Bank to effectuate the intent of this Agreement.

5.2 Borrower fully, finally, and forever releases and discharges Bank and its successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity of Borrower, whether now known or unknown to Borrower, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Bank in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Agreement.

5.3 Contemporaneously with the execution and delivery of this Agreement, Borrower has paid to Bank:

5.3.1 All accrued and unpaid interest under the Note and all amounts, other than interest and principal, due and payable by Borrower under the Loan Documents as of the date hereof.

5.3.2 All the internal and external costs and expenses incurred by Bank in connection with this Agreement (including, without limitation, inside and outside attorneys, title, filing, and recording costs, expenses, and fees).

5.3.3 A renewal fee of $12,500.00.

6. EXECUTION AND DELIVERY OF AGREEMENT BY BANK.

Bank shall not be bound by this Agreement until (i) Bank has executed and delivered this Agreement, (ii) Borrower has performed all of the obligations of Borrower under this Agreement to be performed contemporaneously with the execution and delivery of this Agreement, (iii) if required by Bank, Borrower and any guarantor(s) of the Loan have executed and delivered to Bank an arbitration resolution, and (iv) each guarantor of the Loan has executed the Consent of Guarantor(s) below.

7. INTEGRATION, ENTIRE AGREEMENT, CHANGE, DISCHARGE, TERMINATION, OR WAIVER.

The Loan Documents as modified herein contain the complete understanding and agreement of Borrower and Bank in respect of the Loan and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations. No provision of the Loan Documents as modified herein may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the parties thereto.

8. BINDING EFFECT.

The Loan Documents as modified herein shall be binding upon and shall inure to the benefit of Borrower and Bank and their respective successors and assigns.

9. CHOICE OF LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without giving effect to conflicts of law principles.

10. COUNTERPART EXECUTION.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

DATED as of the date first above stated.

BANK:	BORROWER:
BANK ONE, UTAH, NA, a national banking association	GENTNER COMMUNICATIONS CORPORATION, a Utah corporation
By: /s/Mark F. Nelson -------------------------------- Mark F. Nelson Its: Vice President	BY: /s/Susie Strohm -------------------------------- Susie Strohm Its: CFO